Vibrant Group Limited

STAYING ON **STRATEGY**

ANNUAL REPORT **2020**

OUR VISION

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

OUR MISSION

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

CONTENTS

With resilience and fortitude, we focus our experience and expertise on restructuring our strategy to negotiate unprecedented challenges that have affected the Group's performance. Our efforts to rebalance our asset portfolio, redeploy our capital for greater financial flexibility and adopt technology to enhance our competitive edge have proven to be effective.

ABOUT
VIBRANT GROUP LIMITED

Vibrant Group Limited (formerly known as Freight Links Express Holdings Limited) was incorporated in 1986 and listed on the SGX-ST in 1995 on what was then known as SGX-SESDAQ. The listing was transferred to the SGX Main Board in 1997. The Group is a leading logistics service provider offering comprehensive range of integrated logistics solutions. The Group's cores business activities also include financial services business and real estate business.

OUR **BUSINESS LINES**

The Group offers a comprehensive range of integrated logistics services including international freight forwarding, chemical storage and logistics, warehousing and distribution, and record management. The Group is also engaged in real estate business in property management, development and investment. Its financial services include fund management and financial leasing services.

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 China, Malaysia, Thailand, Hong Kong, Korea and Myanmar and strong strategic partnerships with over 120 freight forwarding agents worldwide.

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.

REAL ESTATE BUSINESS

Complementary to our full suite of integrated logistics solutions, the Group also provides build-to-suit lease solutions for our customers. Additionally, the Group also provides property management services to high-tech industrial park and general warehouses. The Group also invested in various types of properties, such as residential, commercial and industrial building.

FINANCIAL SERVICES

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 industry sectors.

A MESSAGE TO **SHAREHOLDERS**

The Group understands the importance of resilience and making difficult decisions to be more sustainable in the long run as well as better adapt to the changed environment, often described as the "new normal".

Dear Shareholders,

On behalf of our Board of Directors, I am privileged to present to you the Annual Report of Vibrant Group Limited (the "Group") for the financial year ended 30 April 2020 ("FY2020").

The FY2020 has been fraught with volatilities and uncertainties, exacerbated by the COVID-19 pandemic that has brought about unprecedented and significant disruptions across all countries, economies and people. Coupled with the ongoing geopolitical tensions and trade conflicts, the current difficulties in the global economy may not abate quickly. Nonetheless, there is some reason for optimism given the committed and concerted effort by all countries to combat and overcome the virus, as can be seen from the focus on the research and development of a vaccine as well as a realistic approach toward the gradual reopening of economies.

FINANCIAL REVIEW

The Group's revenue for FY2020 is $146.5 million, a decrease from $281.7 million recorded in the previous year. In line with the lower revenue, gross profit decreased from $67.0 million in FY2019 to $40.9 million in FY2020. Comparatively, the revenue in FY2019 was boosted primarily from the completed housing development project in Jiangyin, China, following which its entire revenue was recognised upon completion. In the current financial year, the Group's freight and logistics business segment remained the main contributor to revenue.

The performance of the Group's associates also impacted the Group's financials unfavourably, in particular the $12.1 million impairment loss relating to the Group's investment in Figtree Holdings Ltd and China Southwest Energy Corporation Limited. Additionally, the Group also recognised a $4.7 million share of loss in associates, as compared to $11.1 million share of profit in FY2019. These circumstances had a drag on the Group's FY2020 net profit.

The Group's net profit after tax and non-controlling interest decreased by 29.5% to $5.5 million from $7.8 million in FY2019. This was mainly attributable to the recognition of impairment losses on receivables and on investment in associates. The Group's profits were underpinned by the gain on the sale and leaseback of Jurong Island Chemical Hub, sale of 51.0% of the entire issued and paid-up capital of Sabana Investment Partners Pte Ltd and disposal of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("Sabana REIT") units.

Overall, the Group is in a stable financial position and the Management and Board will continue to exercise financial prudence given the considerable uncertainty posed by the COVID-19 pandemic. As of 30 April 2020, the Group's total asset stood at $621.2 million, with cash and cash equivalents of $61.9 million and a net gearing of 0.93 times. Net asset value per share was 32.14 cents as of 30 April 2020 compared to 29.80 cents as of 30 April 2019.

KEY EVENTS IN FY 2020

During the year, the Group completed the sale and leaseback transaction of 121 Banyan Drive for a consideration of $227.5 million and recognised a one-off gain of $41.3 million. Furthermore, the Group also completed the sale and purchase for the disposal of its entire 51.0% equity interest in Sabana Investment Partners Pte. Ltd. and the sale of units in Sabana REIT.

With these proceeds, the Group has since undertaken a partial redemption of approximately $22.2 million in aggregate principal amount of our Series 003 $66 million 7.50 percent. Notes due 2020, representing 33.6108% of the aggregate principal amounts of the Notes outstanding.

During the year, the Group has also completed the acquisition of 49.0% of the entire issued and paid up capital of Shentoncil Pte. Ltd. ("STC"). As a result, STC, which owns 40.0% equity stake in Ececil Pte. Ltd. whom in turn owns the property located at 139 Cecil Street, Singapore, becomes a wholly-owned subsidiary of the Group. This acquisition enabled the Group to increase its effective stake in the said property, which obtained TOP in February 2020.

Additionally, the Group also acquired the remaining 49.0% of the entire issued and paid up share capital of LTH Logistics (Singapore) Pte Ltd ("LTHS") which is one of the Group's principal subsidiaries in the provision of chemical storage and logistics and warehousing services. With this

A MESSAGE TO **SHAREHOLDERS**

acquisition, the Group has gained full control of its sole dedicated chemical logistics and distribution line of business which handles both hazardous and non-hazardous chemicals and their derivatives in Singapore and Malaysia.

OUTLOOK

FY2020 has been a lesson for all on the importance of having the ability to adjust and respond to significant and unexpected events in the world, especially those which affect the global economy. Despite the severity of the storm battering the global economy there is reason to expect things to get better once the pandemic is better controlled. While the Group remains in stable financial position with sound operations, the Group understands the importance of resilience and making difficult decisions to be more sustainable in the long run as well as better adapt to the changed environment, often described as the "new normal".

Looking ahead, the Group will focus on increasing productivity by upskilling employees and leveraging on digitalisation and data analytics to improve the resilience and versatility of our businesses. The Management will also look into streamlining its operations and refocussing business in an effort to deliver both revenue and profit growth.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank all our shareholders, customers, bankers, noteholders, business associates and partners for the support over the years. Last but not least, I would also like to extend my sincere gratitude to each and every member of our staff and management for their unwavering and unstinting commitment to the Group. With focus, dedication and courage, I am sure the Group will see through these demanding times.

On behalf of the Board, I wish everyone good health, safety, peace and comfort.

Thank You.

Sebastian Tan Cher Liang
Group Chairman

主席致辞

尊敬的股东们，

我谨代表董事会呈交辉联集团有限公司（以下简称“集团”）截至2020年4月30止财政年度（“2020财年”）的年度报告。

2020年充满动荡和不确定性，然而新冠状病毒大流行加剧了这一趋势，对许多国家、经济体和人民造成了前所未有的重大破坏。加上持续的地区紧张局势和贸易冲突，当前全球经济可能不会迅速恢复。多国都为战胜病毒积极作出不懈的努力，期待疫苗早日面市，加上大规模的刺激经济政策，经济逐步的恢复开放，大家依然保持着乐观的期望。

财务回顾

辉联集团2020财年的收入为1.465亿新元，较上财年的2.817亿新元有所下降，毛利润从2019财年的6,700万新元下降到2020财年的4,090万新元。相比之下，2019财年的收入主要来自中国江阴市的房地产项目，其项目收入全部归纳于竣工当年。在2020财年，集团收入的主要贡献仍然是货运和物流业务。

集团联营公司的业绩也对本集团的2020财年的财务产生不利影响，特别是集团对Figtree Holdings Ltd和China Southwest Energy Corporation Limited的投资做出了1,210万新元投资减值损失。此外，集团确认了联营公司亏损的应占份额为470万新元，相比而言2019财年联营公司应占份额为利润1,110万新元。以上这些因素影响了集团2020财年的净利润。

集团的税后及非控制性收益净利润从2019财年的780万新元下降至2020年财年的550万新元，下降比例为29.5%。这主要是由于应收款项和联营公司投资的减值损失。集团的利润得益于出售裕廊岛化工仓库，及出售了占比51.0%的Sabana Investment Partners Pte Ltd股份以及出售Sabana Industrial REIT投资信托单位的收益，从而提高了集团本年度的利润。

总体而言，集团的财务状况稳定，鉴于新冠状病毒大流行带来的不确定性，董事会和管理层将会保持严谨态度管理财务。截至2020年4月30日，集团总资产为6.212亿新元，现金和现金等价物为6,190万新元，净负债率为0.93。截至2020年4月30日，每股净资产值为新元32.14分，相比而言截至2019年4月30日为新元29.80分，增加2.3分。

2020财年的关键事件

在2020财年，集团以2.275亿新元完成了位于新加坡裕廊岛邦岩通道121号的物业出售及回租交易，取得4,130万新元收益。此外，集团也成功出售Sabana Investment Partners Pte Ltd的全部51.0%股权以及出售Sabana Industrial REIT投资信托。资产售后资金，集团已部分赎回了2,220万新元的第三系列债券本金，该债券本金总额为6,600万新元，利率为7.50%，该债券于2020年10月到期，占本金总额的33.6108%。

集团还收购了Shentoncil Pte. Ltd.（“STC”）49.0%的股份，至此STC成为集团的全资子公司。STC持有Ececil Pte. Ltd. 40.0%的实收资本总额，直接拥有位于新加坡丝丝街139号的整栋商业办公楼的产权。此次收购，集团增加物业产权中的股权，该物业于2020年2月获得临时使用许可证。

此外，集团收购了利通行新加坡私人有限公司（“利通行”）全部已发行缴足股本剩余的49.0%份额，利通行是集团提供化学品储存，物流及仓储服务的主要子公司，该业务在新加坡和马来西亚处理危险和非危险化学品及其衍生品。

展望未来

2020财年对于所有人具有重要意义，那就是必须具有调整和应对世界上重大和意外事件（尤其是影响全球经济的事件）的能力。尽管飓风席卷全球经济，但仍有理由期望新冠病毒得到更好的控制后，情况会好转。尽管集团仍保持稳健的财务状况，并且运营状况良好，但集团深知我们必须适应对重大艰难的决策迅速准确地做出决定的新常态，并更好地适应变化的环境。

展望未来，集团将专注于通过提高员工技能，利用数字化和数据分析来提高我们业务，多功能来提高生产力。管理层也会注重简化运营和重新调整业务重点，以实现收入和利润的增长。

致谢

我谨代表董事会感谢我们所有的股东、客户、银行、债券持有人、业务合作伙伴，多年来的支持。最后并且重要的一点，我也要对我们全体员工和管理层表示由衷的感谢，正是他们每一个人对集团坚定不移的忠诚，专注，奉献和勇气才能使集团乘风破浪，勇往直前！

我谨代表董事会祝大家健康、平安、宁静和吉祥。

谢谢！

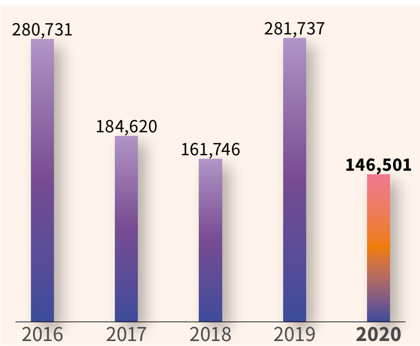
陈之亮
集团主席

GROUP **FINANCIAL HIGHLIGHTS**

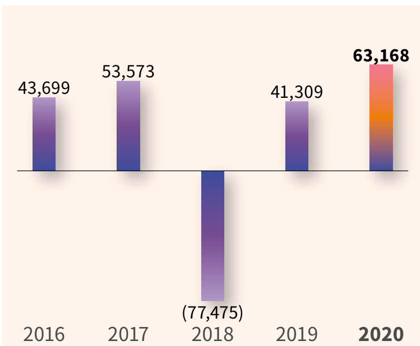
5-YEAR FINANCIAL SUMMARY

	FY2016	FY2017	FY2018 (Restated)	FY2019 (Restated)	FY2020
Operating Results					
Revenue ($'000)	280,731	184,620	161,746	281,737	**146,501**
EBITDA ($'000)	43,699	53,573	(77,475)	41,309	**63,168**
Pretax profit/(loss) ($'000)	32,386	25,368	(104,305)	25,955	**13,004**
Net Profit ($'000)	10,023	3,422	(94,578)	7,758	**5,466**
EBITDA margin (%)	15.57	29.02	(47.90)	14.66	**43.12**
Pretax margin (%)	11.54	13.74	(64.49)	9.21	**8.88**
Net margin (%)	3.57	1.85	(58.47)	2.75	**3.73**
Financial Position					
Cash and Cash equivalents	23,088	63,039	70,549	44,195	**61,907**
Total assets ($'000)	1,044,330	1,051,025	933,514	721,761	**621,170**
Total debt ($'000)	448,916	344,296	344,086	330,233	**268,423**
Debt/Assets (%)	42.99	32.76	36.86	45.75	**43.21**
Current assets	306,070	491,303	373,872	348,304	**193,233**
Current liabilities	298,366	397,835	584,347	298,217	**179,116**
Net current assets/liabilities ($'000)	7,704	93,468	(210,475)	50,087	**14,117**
Shareholders' equity ($'000)	371,171	370,358	202,767	206,383	**222,564**
Return on Assets (%)	0.96	0.33	(10.13)	1.07	**0.88**
Return on Equity (%)	2.70	0.92	(46.64)	3.76	**2.46**
Net debt: Equity (times)	1.15	0.76	1.35	1.39	**0.93**
Per Share Data					
Earnings (cents) – Basic	1.86	0.59	(13.96)	1.12	**0.79**
Earnings (cents) – Diluted	1.86	0.59	(13.96)	1.12	**0.79**
Dividend (cents)	1.80	1.50	–	0.40	**–**
Net tangible assets (cents)	66.94	61.58	29.20	29.73	**32.14**

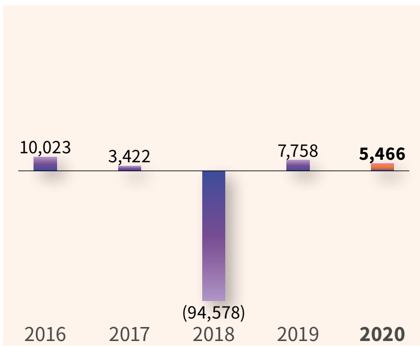
REVENUE
($'000)



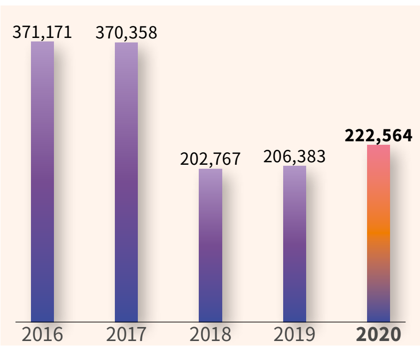
EBITDA
($'000)



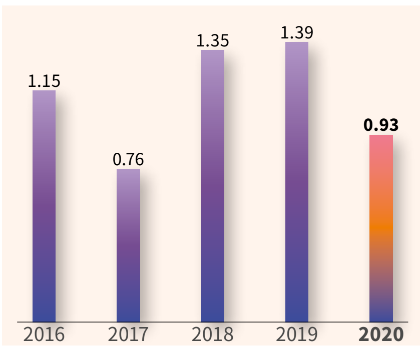
NET PROFIT
($'000)



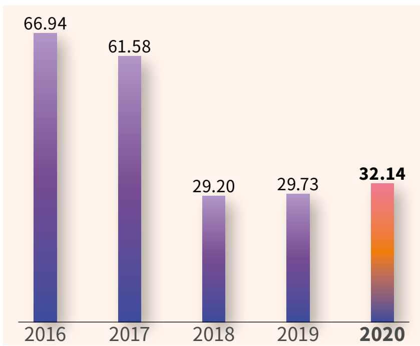
SHAREHOLDERS' EQUITY
($'000)



NET DEBT: EQUITY
(times)

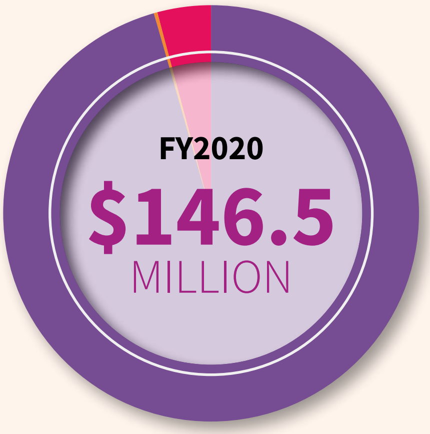


NET TANGIBLE ASSETS
(cents)



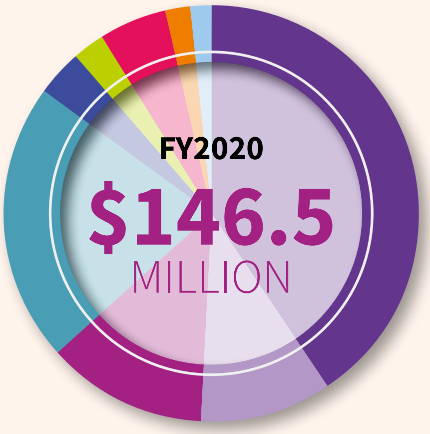
SEGMENTAL RESULTS

REVENUE BY OPERATING SEGMENTS



- **95.61%** Freight & Logistics
- **0.43%** Financial Services
- **3.96%** Real Estate

REVENUE BY GEOGRAPHICAL SEGMENTS



- **40.62%** Singapore
- **10.46%** Malaysia
- **12.34%** People's Republic of China
- **21.81%** Rest of Asia
- **3.54%** United States of America
- **2.53%** Oceania
- **5.18%** Europe
- **2.08%** Middle East
- **1.44%** Others

Freight & Logistics

	FY2019 $'000	**FY2020 $'000**
Revenue	152,592	**140,061**
Profit for the year	3,753	**40,939**

Financial Services

	FY2019 $'000	**FY2020 $'000**
Revenue	6,674	**636**
(Loss)/Profit for the year	(610)	**3,140**

Real Estate Business

	FY2019 $'000	**FY2020 $'000**
Revenue	122,471	**5,804**
Profit/(Loss) for the year	10,573	**(8,024)**

* These segmental results exclude unallocated corporate costs, share of profit of associates and joint venture.

REVIEW OF **OPERATIONS**

Despite the current challenging market condition, the Group remains competitive through efficient cost management. The COVID-19 pandemic lockdowns have not disrupted the Group's business too significantly as the Group's digital solutions have enabled our staff to remain connected and supported our operations remotely while working from home during this period.

For the full year ended 30 April 2020, the Group recorded total revenue of $146.5 million, a decrease of 48.0% from $281.7 million a year earlier. Net profit attributable to shareholders was $5.5 million, compared to $7.8 million in the previous year.

FREIGHT AND LOGISTICS SERVICES

Revenue for our freight and logistics segment contributed 95.6%, $140.1 million of the total revenue, a decrease of $12.5 million from $152.6 million for the previous year. Net profit however increased from $3.8 million to $40.9 million mainly as a result of the one-off gain from the sale and leaseback transaction of 121 Banyan Drive.

International Freight Forwarding

In the international freight forwarding segment, revenue declined by 6.2% primarily due to volume declines arising from the disruption in the global supply chains caused by US-China trade war and the COVID-19 pandemic, particularly in the last quarter of the Group's current financial year ended 30 April 2020.

During the year, the Group carried out its plans by exploring and securing new agencies and trade lanes from multiple countries which cover Mediterranean, South Eastern Europe as well as Southern Africa as part of the Group's business expansion. With the addition of the new agencies, the Group's footing in the industry is strengthened and is able to remain competitive in the industry. The Group will continue to transform its business, enhance its services and lay foundation for its future growth.

Despite the current challenging market condition, the Group remains competitive through efficient cost management. The COVID-19 pandemic lockdowns have not disrupted the Group's business too significantly as the Group's digital solutions have enabled our staff to remain connected and supported our operations remotely while working from home during this period. We will also take the COVID-19 pandemic as a learning opportunity and to refine the Group's risk planning, allocation and management systems.

Warehousing and Logistics

For our warehousing and logistics division, we have been upgrading our warehouses to meet changes in the market trends or where required by our customers. We have leased additional warehouse space to cater to our customer base and needs including Singapore Food Agency ("SFA") approved warehouses that are Halal certified for food products and consumer items as well as being licensed to manage medical supplies.

Our staff are equipped with the necessary skills and knowledge as part of the Group's business strategy of having the ability to provide total logistics solutions to our customers. Following the onset of the COVID-19 pandemic, we have further tightened our warehouse safety, regulatory compliances and renewed business continuity plans ("BCP"). The ongoing national stockpiling efforts coupled with a surge in online shopping and e-commerce activities have driven up warehouse demand and corresponding costs. The Group is mindful of the upward trend in costs and we have implemented broad cost-management measures to keep our competitiveness.

As part of its plans, the Group has expanded its footprint in Keppel Distripark and taken bigger units of warehouses to ensure that the Group retains the business flexibility to adjust to changes in demand and the market. The Group is also enhancing its Automated Storage and Retrieval System ("ASRS"), Warehousing Management System ("WMS") and Radio-frequency Identification ("RFID") technologies to maintain its technological systems in tandem with customers' requirements. The Group has also embarked on further automation and IT optimisation to strengthen its systems for better integration.

During the financial year, our associate, Vibrant Pucheng Logistics (Chongqing) Co., Ltd ("Vibrant Pucheng") had its first on site ground breaking ceremony in June 2019 for the construction of the Multi-Modal Logistics Distribution Centre. Due to the disruption from COVID-19 pandemic, Phase 1 of the project consisting of 2 blocks of logistics facility and 2 administration blocks is scheduled to complete only by the first quarter of year 2021. In order to enhance the overall operational readiness and excellence of the Logistics Distribution Centre, the team has inducted technologies with emphasis on productivity and service capabilities which complement the other product and services within Vibrant Pucheng.

Chemical Logistics

FY2020 was set against a backdrop of economic, trade and health challenges such as the US-China trade war, slowdown in growth of the Chinese economy, oil price collapse and global lockdowns due to the COVID-19 pandemic. This confluence of negative events in the course of the financial year led to a significant decline in business volume in the chemical logistics segment. Revenue dropped significantly (approximately 15.9%) compared to the same period last year, largely due to a decline in demand for chemicals and intermediate products, a glut in inventories, shutdown of plants and factories due to COVID-19 restrictions and intense price competition in the industry. The effect in reduced local manufacturing, import and export activities culminated in lower chemical warehouse occupancies, a slower turnaround of cargoes and a drop in the need for transportation services.

Notwithstanding the Group's improved management of operating costs, as the warehouse operating cost environment is characterised by a more rigid cost structure in view of fixed warehouse leases as compared to more adjustable transportation costs, the lower warehousing revenues had a significant impact on the unit's overall operations performance. These were, however, offset by the completion of the sale and leaseback of the chemical hub located at Banyan Drive, Jurong Island. The sale and leaseback of this facility came at an opportune time, just before the onset of the economic downturn and the repayment of loans from proceeds of the sale helped the unit reduce the Group's financial costs.

We remain fully committed to our participation in Corporate Social Responsibility and workplace safety regardless of the challenges we face. In the 2019 Responsible Care program, we obtained Gold awards in the categories of Distribution and Employee Health and Safety and we were also recognised with an Achievement award in Community Awareness and Emergency Response. These awards reinforce our reputation as a leader in safety in the chemical logistics arena, which is a critical pre-requisite for instilling confidence in stakeholders operating within the chemicals industry.

REVIEW OF **OPERATIONS**

REAL ESTATE BUSINESSES

Our real estate segment registered a 95.3% decrease in revenue to $5.8 million. This significant drop compared to the previous year was mainly due to the entire revenue recognition of the housing development project in Jiangyin, China in the previous financial year.

Property Management

During the year, the Group disposed its entire 51.0% equity interest in Sabana Investment Partners Pte Ltd and its subsidiaries which provides property management services to Sabana Shari'ah Compliant Real Estate Investment Trust.

Property Development and Investment

The second built-to-suit industrial factory in Changshu High Tech Industrial Park, Jiangsu was completed and handed over to the customer in June 2019 and has contributed to the Group's revenue for the current financial year. The Group recognised net fair value loss on investment properties of approximately $7.9 million due mainly to Palas Condominium located in Malaysia, due to impact of the COVID-19 pandemic.

The Singapore property comprising 11-storey offices, F&B on 1st storey and offices from 2nd Storey to 14th Storey, mechanised car park from basement to 5th storey and communal roof terrace at 16th storey located at 139 Cecil Street owned by our associated company, Ececil Pte Ltd, obtained its Temporary Occupation Permit during the financial year, namely in February 2020. Although the current market situation is challenging, the Group is actively marketing the property so that it remains in the minds of tenant when the economy turns around.

FINANCIAL SERVICES

The financial services business segment reported a substantial decline in revenue from $6.7 million in the previous year to $0.6 million. The lower revenue was largely due to less income generated from leasing activities in China and the absence of fees from the management of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("Sabana REIT") following its sale in June 2019. The segment reported higher profit after tax of $3.1 million compared to $0.6 million mainly due to gain on disposal of 51.0% of the entire issued and paid-up capital of Sabana Investment Partners Pte Ltd and disposal of Sabana REIT units. However, the gain was offset by the impairment losses on receivables of $8.5 million in relation to the redeemable cumulative convertible preference shares in an associate, China GSD Logistics Pte. Ltd., and the impairment loss recognised on loans to third parties and finance lease receivables.

The Group has also undertaken a partial redemption of approximately $22.2 million in aggregate principal amount of our Series 003 $66 million 7.50 percent. Notes due 2020, which resulted in a reduction in finance cost. With the balance principal amount due in October 2020, the Group expects to make a full redemption on the due date and this will further reduce the finance costs incurred by the Group.

BOARD OF **DIRECTORS**




A. SEBASTIAN TAN CHER LIANG
Independent Non-Executive Chairman

B. ERIC KHUA KIAN KEONG
Executive Director and Chief Executive Officer

C. DEREK LOH EU TSE
Independent Non-Executive Director

D. KHUA HOCK SU
Group Advisor and Non-Executive Director

E. FRANCIS LEE FOOK WAH
Executive Director and Chief Financial Officer

F. HENRY CHUA TIONG HOCK
Executive Director and
Chief Corporate Development Officer

BOARD OF **DIRECTORS**

A. 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 2010.

He chairs the Audit Committee and is a member of the Remuneration and Nominating Committee. He has more than 40 years of experience in corporate advisory and general management.

Mr Tan was the Managing Director and Finance Director of Boardroom Limited which he co-founded in May 2000 and was listed on the Main Board of the SGX-ST in September 2000. Having retired from Boardroom Limited in March 2013, he continues to be an Advisor. Prior to May 2000, he was with Ernst & Young Singapore and its affiliates since September 1973.

He is a qualified financial professional from the Association of Chartered and Certified Accountants of the United Kingdom. He is currently serving on the Boards of various public and private companies, and charitable organisations in Singapore. He was conferred the Public Medal (PBM) in 1996.

Present directorship in other listed companies:
Jumbo Group Limited
Kingsmen Creatives Ltd
Ezra Holdings Limited
Wilton Resources Corporation Ltd
Food Empire Holdings Limited

Past directorship in listed companies (2016 – 2020):
Nil

B. 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 a 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》。

Present directorship in other listed companies:
Freight Management Holdings Berhad

Past directorship in listed companies (2016 – 2020):
Nil

C. 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, Federal International (2000) Ltd and K2 F&B Holding Limited. 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.

Present directorship in other listed companies:
Adventus Holdings Limited
DISA Limited
Vietnam Enterprise Investments Limited
Federal International (2000) Limited
K2 F&B Holdings Limited

Past directorship in listed companies (2016 – 2020):
Metech International Limited

D. 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 of Nanyang Kuah Si Association. He also serves as an honorary committee member of Singapore Metal and Machinery Association.

柯福赐先生于2017年荣退集团主席职位，继而委任集团顾问。目前柯先生是新加坡大众医院永远名誉院长，新加坡南洋柯氏公会名誉会长及新加坡五金机械公会名誉董事。

Present directorship in other listed companies:
Nil

Past directorship in listed companies (2016 – 2020):
Nil

E. FRANCIS LEE FOOK WAH
Executive Director and Chief Financial Officer

Mr Francis Lee Fook Wah was appointed as the Chief Financial Officer for the Group on 1 April 2019 and appointed as the Executive Director on 1 September 2020.

He is responsible for the overall management of finance functions of the Group, matters relating to the regulatory compliance and reporting, and oversee Group's human resource matters.

Previously, Mr Lee was the chief financial officer of OKH Global Ltd, a company listed on the SGX-ST from 2015 to 2017. Between 2005 and 2011, Mr Lee served as an executive director, finance director and chief financial officer of Man Wah Holdings Ltd, a company listed on the Hong Kong Stock Exchange. Mr Lee began his career in 1990 in the Commercial Crime Division of the Criminal Investigation Department, where he served as a senior investigation officer. In 1993, Mr Lee served as an assistant manager in OCBC Bank conducting credit analysis. Between 1994 and 2001, he worked as a dealer's representative for Deutsche Morgan Securities. Mr Lee then served at the Singapore branch of the Bank of China between 2001 and 2004 as a relationship manager. Between 2004 and 2005, he was with AP Oil International Ltd working as an investment and project manager, where he was also tasked with overseeing its overall credit policy.

Mr Lee graduated from the National University of Singapore with a Bachelor's degree in Accountancy in 1990 and obtained a Master's degree in Business Administration (Investment and Finance) from the University of Hull, UK in 1993. Mr Lee is a Chartered Accountant and a non-practising member of the Institute of Singapore Chartered Accountants. He is also a member of the Singapore Institute of Directors.

Mr Lee is also currently an independent director of Sheng Siong Group Ltd, Net Pacific Financial Holdings Ltd and Asiaphos Ltd.

Present directorship in other listed companies:
Sheng Siong Group Limited
Net Pacific Financial Holdings Limited
Asiaphos Limited
Figtree Holdings Limited

Past directorship in listed companies (2016 – 2020):
JES International Holdings Limited
Metech International Limited

F. HENRY CHUA TIONG HOCK
Executive Director and Chief Corporate Development Officer

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

Previously, he represented the Group as a director in Sabana Shari'ah Compliant REIT and other listed subsidiaries, Freight Links Express Holdings (Australia) Limited, Freight Links Express Holdings (Hong Kong) Limited and Cybermast Limited.

Over the years, he designed and built 9 warehouse complexes for the Group.

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.

Mr Chua retired as the Executive Director and Chief Corporate Development Officer of the Group on 30 April 2020.

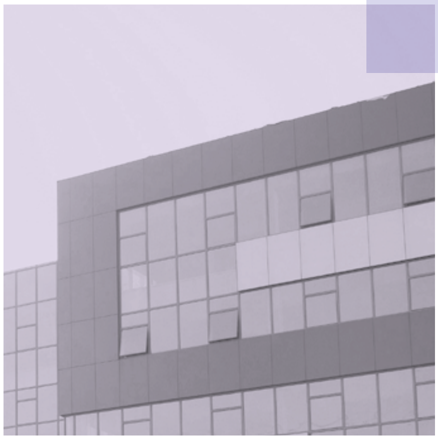
Present directorship in other listed companies:
Nil

Past directorship in listed companies (2016 – 2020):
Freight Management Holdings Berhad

SENIOR **EXECUTIVES**

A

B



C

D

E

A. SENG JOO MENG
Senior Vice President (Corporate)

B. JOHN LIM SUI SEN
Senior Vice President (Projects)

C. ALEX NG BOON CHUAN
Director/Executive Vice President
Freight Links Express Pte Ltd

D. DON TANG FOOK YUEN
General Manager
LTH Logistics Group of Companies

E. VINCENT YONG CHEE LEONG
Vice President
Crystal Freight Services Pte Ltd

A. SENG JOO MENG

Senior Vice President (Corporate)

Mr Seng is Vibrant Group's Senior Vice President (Corporate) reporting to the CEO. Since joining Vibrant in February 2019, he has been leading the logistics function and subsequently given additional responsibility to oversee and develop the Group's Thailand subsidiaries. He established a new Thai subsidiary company in February 2020 to further expand the business.

Mr Seng began his career with the world's largest Japanese logistics company and headed the Regional Sales Team (South East Asia) for over a decade. He was awarded several Annual Top Sales Achievements for winning contracts from major global brands with his team. He was head-hunted and left to join a leading US logistics company as Director to manage the global service center (GSC) for air freight. After the company was acquired, he left to take on the role of Managing Director responsible for business development in the Asia Pacific office of a leading Korean logistics conglomerate. Mr Seng holds a Master's degree in Business Administration from University of Hull, UK.

B. 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, and oversees the leasing and management of a portfolio of property. 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.

C. 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 36 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 are drawn from the long-standing career he has established in Freight Links Express since joining in August 1984.

D. 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.

E. 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.

GROUP CORPORATE STRUCTURE

Vibrant Group Limited

FREIGHT & LOGISTICS

INTERNATIONAL FREIGHT FORWARDING

- **100%** Freight Links Express Pte Ltd
- **100%** Crystal Freight Services Pte Ltd
- **49%** Freight Links Express (Thailand) Co., Ltd
- **49%** Freight Links Express International Co., Ltd
- **39.2%** Hub & Port Service (Thailand) Co., Ltd
- **100%** Freight Links Express (M) Sdn Bhd
- **100%** Freight Links Express (Pg) Sdn Bhd
- **20.05%** Freight Management Holdings Bhd
- **40%** Wagon Links Pte Ltd
- **27.6%** Wagon Links Co., Ltd (Myanmar)

WAREHOUSING PROPERTY & LOGISTICS

- **100%** Freight Links Logistics Pte Ltd
- **100%** Hub & Port Services 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
- **100%** Freight Links E-Logistics Technopark Pte Ltd
- **100%** New Vibrant (Jiangsu) Supply Chain Management Co., Ltd
- **20%** Busan Cross Dock Co., Ltd
- **31%** Vibrant Pucheng Logistics (Chongqing) Co., Ltd
- **36.48%** Vibrant Pucheng Holdings Pte. Ltd.
- **31%** Vibrant Pucheng Property Management (Chongqing) Co., Ltd
- **44.81%** Vibrant International Freight Forwarding (Chongqing) Co., Ltd

CHEMICAL STORAGE & LOGISTICS

- **100%** LTH Logistics (S) Pte Ltd
- **100%** LTH Distripark Pte Ltd
- **100%** Lee Thong Hung Trading & Transport Sdn Bhd

COMMODITY LOGISTICS

- **25.52%** China Southwest Energy Corporation Limited

OTHERS

- China GSD Logistics Pte Ltd (Convertible Preference Shares)

REAL ESTATE BUSINESS

PROPERTY DEVELOPMENT & INVESTMENT

- **60%** Vibrant Properties Pte Ltd
- **60%** Vibrant Land Pte Ltd
- **48%** Fervent Industrial Development (Suzhou) Co., Ltd
- **60%** Vibrant Investment & Management (Shanghai) Co., Ltd
- **51%** Vibrant DB2 Pte Ltd
- **50%** Saujana Tiasa Sdn Bhd
- **100%** Shentoncil Pte Ltd
- **40%** Ececil Pte Ltd
- **22.22%** Figtree Holdings Ltd

FINANCIAL SERVICES

FINANCIAL LEASING

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

FUND MANAGEMENT

- **30%** Sentosa Capital Pte Ltd

OTHERS

- **100%** Singapore Enterprises Private Limited

SUSTAINABILITY REPORT SUMMARY

As the effect of climate change begins to take a toll on the environment and human beings, it becomes an irrefutable fact that environmental protection must be made a priority. At Vibrant Group, we believe that driving our business in a sustainable manner not only aligns with our Group's core belief but is also our way of shouldering the great responsibility of protecting the environment. We are hopeful that our effort will lead us to sustainable and resilient growth.

Information on our sustainable policies, initiatives, performance and targets can be found in our sustainability report, which is prepared in accordance with the Singapore Exchange ("SGX")'s sustainability reporting requirements and with reference to the Global Reporting Initiative ("GRI") Standards 2016.

The sustainability report will provide and summarise the sustainability performance of freight and logistics business of the Group, covering international freight forwarding, warehousing property and logistics as well as chemical storage and logistics operations for the financial year ended 30 April 2020 ("FY2020"). We conducted a detailed materiality assessment and identified the Group's material topics. Related disclosures will be detailed in the FY2020 sustainability report.

In FY2020, the following material issues were identified:

Category	Material Topics
Governance	Compliance with Laws and Regulations
Economic	Economic Performance
Environment	Emissions
	Waste Management
	Energy
	Water Management
Social	Employment
	Health and Safety
	Customer Privacy

Details on the Group's sustainability governance structure, stakeholder engagement, as well as materiality assessment process and results will be presented in the sustainability report. We will also monitor our progress in achieving our sustainability targets for each material topic, continuously improve our management in key sustainability risks and opportunities, and strive for a more sustainable growth for the Group.

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Chairman
Sebastian Tan Cher Liang, PBM

Executive
Eric Khua Kian Keong
Francis Lee Fook Wah
(appointed on 1 September 2020)

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

Noraini Binte Noor Mohamed Abdul Latiff

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

FOO KON TAN LLP
Public Accountants and
Chartered Accountants
24 Raffles Place #07-03
Clifford Centre
Singapore 048621

Kong Chih Hsiang Raymond, Partner-in-charge
(appointed since FY2020)

PRINCIPAL BANKERS

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

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

DBS Bank Ltd
12 Marina Boulevard
Marina Bay Financial Centre
Singapore 018982

CORPORATE GOVERNANCE REPORT

For the financial year ended 30 April 2020

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 Singapore Code of Corporate Governance 2018 (the "2018 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 2020 ("FY2020"). The Company will continually review its corporate governance practices in compliance with the 2018 Code. The Board confirms that the Group has generally adhered to the principles and guidelines set out in the 2018 Code for FY2020. Where there are deviations from the 2018 Code, appropriate explanations are provided.

Guide	Compliance with the 2018 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 2018 Code. We show details of our compliance in this report.
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: The Board's Conduct of Affairs	
1.1	The Board has five directors which comprises of two Executive Directors, a Non-Executive Director and two Non-Executive Independent Directors ("Independent Directors") for FY2020. The principal functions of the Board are as follows: • Oversee the Group's overall strategic and business direction and is collectively responsible for the Group's long-term success. • Provide entrepreneurial leadership, setting strategic objectives as well as constructively challenge Management and review its performance. • Ensure necessary financial and human resources are in place for the Group to meet its objectives. • Establishing a framework of prudent and effective controls for risk management and internal controls, safeguarding shareholder's interests and the Group's assets as well as setting values and standards (including ethical standards) for the Group and is mindful of the Group's social responsibilities. The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and work with the Management to make objective decisions in the interest of the Group. The Board has clear guidelines for dealing with conflicts of interest. Where a director faces a conflict of interest, the director shall disclose this and recuse himself from meetings and decisions involving the issue. All interested persons transactions are reviewed and approved by the Audit Committee to ensure these transactions are conducted on an arm's length basis. The Group's business is effectively managed by the Board and properly conducted by Management and the Board ensures that proper observance of corporate governance practices, which includes setting of code of conduct and ethics, appropriate tone-from-the-top and desired organizational culture, and ensures proper accountability within the Group.
1.2	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 or existing Directors are provided with opportunities to undergo training which are relevant, to effectively discharge their duties, and to enhance their skills and knowledge and to continually improve the performance of the Board. The Company will fund Directors' participation at industry conferences, seminars or any training programmes in connection with their duties as Directors. The management will keep the Directors up-to-date on pertinent developments in the business including changes in relevant laws and regulations, 2018 Code, financial reporting standards and industry related matters. There is no new Director appointed to the Board of the Company in FY2020.
1.3	The Board of Directors objectively takes decisions in the interests of the Group. Other than the compliance with the Companies Act, Cap 50 and the rules and regulations applicable to a public company, matters requiring the Board's specific approval are those involving material acquisition and disposal of assets/investments, corporate or financial restructuring, material financial/funding arrangements and provision of all corporate guarantees, corporate exercises and budgets.

CORPORATE GOVERNANCE REPORT

For the financial year ended 30 April 2020

<table>
<tr><th>Guide</th><th>Compliance with the 2018 Code</th></tr>
<tr><td>1.4</td><td>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.</td></tr>
<tr><td>1.5</td><td>The Board and its Committees conduct regular scheduled meetings that planned in advance during the year 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.

In line with our commitment to sustainability, the Company issued each Director with an electronic tablet device during the meeting to enable them to access and read meeting papers electronically in place of hard-copy printouts.

The attendance of the Directors at Board and Committee meetings for FY2020, as well as the frequency of such meetings are set out 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><th colspan="2">General Meeting</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><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><th>Held</th><th>Attended</th></tr>
<tr><td>Eric Khua Kian Keong</td><td>5</td><td>5</td><td>5</td><td>5</td><td>–</td><td>–</td><td>1</td><td>1</td><td>2</td><td>2</td></tr>
<tr><td>Sebastian Tan Cher Liang</td><td>5</td><td>5</td><td>5</td><td>5</td><td>1</td><td>1</td><td>1</td><td>1</td><td>2</td><td>2</td></tr>
<tr><td>Khua Hock Su</td><td>5</td><td>5</td><td>5</td><td>5</td><td>1</td><td>1</td><td>–</td><td>–</td><td>2</td><td>1</td></tr>
<tr><td>Derek Loh Eu Tse</td><td>5</td><td>5</td><td>5</td><td>5</td><td>1</td><td>1</td><td>1</td><td>1</td><td>2</td><td>2</td></tr>
<tr><td>Henry Chua Tiong Hock*</td><td>5</td><td>5</td><td>5</td><td>5</td><td>–</td><td>–</td><td>–</td><td>–</td><td>2</td><td>2</td></tr>
</table>

* Mr Henry Chua Tiong Hock retired as an Executive Director on 30 April 2020.</td></tr>
<tr><td>1.6</td><td>Directors are regularly updated by Management on developments within the Group. The Board is provided with timely and adequate information, prior to Board meetings and whenever necessary. Detailed papers are circulated as necessary for items requiring the Board’s approval.

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.</td></tr>
<tr><td>1.7</td><td>Directors have separate and independent access to the Company Management and Company Secretary at all times. The appointment and removal of the Company Secretary is a decision of the Board as a whole. The Company Secretary attends all Board meetings and advises the Board on all governance matters, as well as facilitating orientation and assisting with professional development. The Board may seek and obtain independent professional advice at the Company’s expense, when necessary, to fulfill and discharge their duties and responsibilities as directors.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

For the financial year ended 30 April 2020

Guide	Compliance with the 2018 Code
Principle 2: Board Composition and Guidance	
2.1	The Board, taking into account the views of the NC, assesses the independence of each Director annually in accordance with the guidance in the 2018 Code. A Director is considered independent if he is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders 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 Group. Mr Sebastian Tan Cher Liang and Mr Derek Loh Eu Tse are long serving members of the Board. 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 or any conflict of interest with the Group. The Board is satisfied that the independency of these two board members had not been compromised despite their long service on the Board.
2.2	The Group's chairman Mr Sebastian Tan Cher Liang is a Non-Executive, Independent Director and is not related to the CEO.
2.3	In FY2020, the Board is made up of two Executive Directors and three 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. 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.
2.4	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 2020 are as follows: **Name of Director** — **Nature of Appointment** Sebastian Tan Cher Liang — Non-Executive, Independent Eric Khua Kian Keong — Executive, Non-Independent Henry Chua Tiong Hock (retired on 30 April 2020) — Executive, Non-Independent Khua Hock Su — Non-Executive, Non-Independent Derek Loh Eu Tse — Non-Executive, Independent The Board comprises Directors who as a group, has core competencies and diversity of experience to enable them to lead and control the Company effectively. The NC conducted its annual review of the Directors taking into account their respective areas of specialisation and expertise, and was satisfied that members of the Board as a whole possess the relevant core competencies and experiences in areas such as industry knowledge, strategic planning, business management, finance and accounting, and human resources. Profiles of Directors are found on this Annual Report.
2.5	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.

CORPORATE GOVERNANCE REPORT

For the financial year ended 30 April 2020

Guide	Compliance with the 2018 Code
Principle 3: Chairman and Chief Executive Officer	
3.1	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	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 CEO leads the development of the Group's business and operational strategies, oversees the implementation of the Group's long and short term plans in accordance with its strategies, ensures the Group is properly organised and staffed, assesses and monitors the principal risks of the Group and ensures effective internal controls and risk management systems are in place. 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	The Group currently has not appointed the Lead Independent Director considering the Group's current business operations and the Board size of only five 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. In addition, Independent Directors also met regularly and on ad hoc basis with the CEO and senior management team as well as other Non-Executive Directors to discuss challenges facing the Group.
Principle 4: Board Membership	
4.1	The Group believes Board renewal to be an on-going process and is required to ensure good corporate governance as well as maintain relevance to the changing needs of the Group's business. The NC is responsible for the identification and selection of new directors. The NC is guided by key terms of reference as follows: • Make recommendation on all Board and Board committee appointments and re-appointments; • Review succession plans for directors, including the Chairman, the CEO and key management personnel; • 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	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: Derek Loh Eu Tse — Chairman (Non-Executive, Independent) Sebastian Tan Cher Liang — Member (Non-Executive, Independent) Eric Khua Kian Keong — Member (Executive, Non-Independent)

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4.3	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.
4.4	The NC conducted an annual review of the independence of the Directors as mentioned under Guidelines 2.1 above based on their declarations of independence (or otherwise), which were drawn up based on the guidelines provided under the 2018 Code. In addition, as and when circumstances require, the NC will also assess and determine a Director's independence. The NC has reviewed and confirmed the independence of the Independent Directors in accordance with the 2018 Code. The Independent Directors have also confirmed their independence in accordance with the 2018 Code. The NC has assessed the independence of Mr Sebastian Tan Cher Liang and Mr 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. As Mr Sebastian Tan Cher Liang and Mr Derek Loh Eu Tse have served the Board as an Independent Non-Executive Directors for more than nine years, the NC had performed a rigorous review of their continuing independence. During its review, the NC noted that, notwithstanding that they have served the Board beyond nine years, they continue to demonstrate strong independence in character and judgement in engaging and challenging Management in the interests of the Group at the Board and Board Committee meetings. Neither they nor their immediate family members have any relationship or business dealings with the Group and the Company's substantial shareholders in the current or immediate past financial year. Mr Sebastian Tan Cher Liang and Mr Derek Loh Eu Tse have, over the years, participated in the proceedings and decision-making process of Board meetings. They have constructively challenged and reviewed the performance of Management in achieving agreed goals. The NC also recognises that Mr Sebastian Tan Cher Liang and Mr Derek Loh Eu Tse developed substantial insight of the Group's business and operations and will continue to value add to the Board. In considering the above factors and taking into account of their contribution in terms of experience, expertise, professionalism and integrity, the NC is of the view that Mr Sebastian Tan Cher Liang and Mr Derek Loh Eu Tse continue to be independent. Accordingly, Mr Sebastian Tan Cher Liang and Mr Derek Loh Eu Tse duly abstained from the NC/Board's determination of their independence.
4.5	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. Key information of each member of the Board including directorships and chairmanships both present and those held over the preceding 5 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 pages 143 to 149.

CORPORATE GOVERNANCE REPORT
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Guide	Compliance with the 2018 Code
Principle 5: Board Performance	
5.1	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.
5.2	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. 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.
II. REMUNERATION MATTERS Matters concerning remuneration of the Board, key management 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 6: Procedures for Developing Remuneration Policies	
6.1	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 key management personnel (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.
6.2	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: Derek Loh Eu Tse — Chairman (Non-Executive, Independent) Sebastian Tan Cher Liang — Member (Non-Executive, Independent) Khua Hock Su — Member (Non-Executive, Non-Independent)

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Guide	Compliance with the 2018 Code
6.3	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. 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.
6.4	If necessary, further expertise from outside sources will be made available. The Committee is aware of the need to minimise the risk of any potential conflict of interest and will ensure that no director should be involved in deciding his own remuneration.
Principle 7: Level and Mix of Remuneration	
7.1	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 would 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.
7.2	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.
7.3	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.

CORPORATE GOVERNANCE REPORT

For the financial year ended 30 April 2020

Guide	Compliance with the 2018 Code
Principle 8: Disclosure on Remuneration	
8.1	The breakdown of the level and mix of remuneration of each Director and the top senior executives for FY2020 are set out below. A significant portion of senior executives' remuneration is linked to corporate and individual performance.
	A summary of the remuneration of each Director which is paid or payable by the Company for FY2020 is set out below:

Directors	Remuneration ($'000)	Mix of Remuneration by %				
		Directors' fees	Salary	Bonus	Benefits-in-kind	Total
$750,000 to $1,000,000						
Henry Chua Tiong Hock*	870	0.5	38.6	–	60.9	100
$250,000 to $499,999						
Eric Khua Kian Keong	468	0.9	83.3	12.1	3.7	100
Below $250,000						
Khua Hock Su	48	100	–	–	–	100
Sebastian Tan Cher Liang	75	100	–	–	–	100
Derek Loh Eu Tse	60	100	–	–	–	100

* Mr Henry Chua Tiong Hock retired as an Executive Director on 30 April 2020.

Note: Benefits-in-kind includes retirement benefits.

The table below sets out the ranges of gross remuneration received by the top 5 key management personnel of the Group excluding those in associated companies.

Senior Executives	Mix of Remuneration by %			
	Salary	Bonus	Benefits-in-kind	Total
Below $300,000				
Francis Lee Fook Wah	78.3	11.5	10.2	100
Alex Ng Boon Chuan	75.8	10.2	14.0	100
Below $250,000				
Lim Meng Jiow Lawrence	40.6	2.5	56.9	100
Don Tang Fook Yuen	75.6	9.5	14.9	100
Seng Joo Meng	77.2	9.6	13.2	100
Total Remuneration of top 5 Senior Executive	$813,910 69.2%	$101,916 8.7%	$260,673 22.1%	$1,176,499

Note: Salary and bonuses are inclusive of employer's Central Provident Fund contributions.

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For the financial year ended 30 April 2020

Guide	Compliance with the 2018 Code
8.2	**Employee Related to Directors/CEO**
	Immediate family members of Directors

	Mix of Remuneration by %			
	Salary	**Bonus**	**Benefits-in-kind**	**Total**
$150,000 to $200,000				
Don Tang Fook Yuen	75.6	9.5	14.9	100

Don Tang Fook Yuen is the brother-in-law of CEO and son-in-law of Mr Khua Hock Su, Non-Executive Director.

Guide	Compliance with the 2018 Code
8.3	The Company does not have any employee share/stock options scheme or any other long-term incentive scheme during FY2020.

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 9: Risk Management and Internal Controls

9.1

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.

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 also conduct an annual review of the effectiveness of the Company's internal controls and recommendations for improvements are reported to the AC.

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.

CORPORATE GOVERNANCE REPORT

For the financial year ended 30 April 2020

<table>
<tr><th>Guide</th><th>Compliance with the 2018 Code</th></tr>
<tr><td>9.2</td><td>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.</td></tr>
<tr><td colspan="2">Principle 10: Audit Committee</td></tr>
<tr><td>10.1</td><td>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;
• keep under review the assurance provided by the CEO and the CFO that the financial records have been properly maintained and that the financial statements give a true and fair view of the Group's operations and finances;
• review related party transactions and interested person transactions to ensure compliance with the regulations set out in the SGX Listing Manual;
• review the adequacy, scope and results of the external audits, their cost effectiveness, and the independence and objectivity of the external auditors;
• nominate external auditors for appointment, re-appointment or removal, 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 recommended 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 executives to attend its meetings. The auditors have unrestricted access to the AC. The AC has reasonable resources to enable it to discharge its functions properly.

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

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.</td></tr>
<tr><td>10.2</td><td>The AC comprises three members, all of whom 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:

Sebastian Tan Cher Liang — Chairman (Non-Executive, Independent)
Khua Hock Su — Member (Non-Executive, Non-Independent)
Derek Loh Eu Tse — Member (Non-Executive, Independent)

The members of the AC are suitably qualified and possess relevant accounting and/or related financial management expertise or experience for the effective discharge of their responsibilities as members of the AC.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

For the financial year ended 30 April 2020

Guide	Compliance with the 2018 Code
10.3	No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC.
10.4	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, and has appropriate standing within the Group. The Group has outsourced its internal audit function to an independent professional firm, Nexia International, who reports directly to the Chairman of the AC. The AC reviews the independence, adequacy, and effectiveness of the internal audit function yearly and is satisfied that the internal auditor is independent, effective and adequately resourced. The external auditors will also perform operational and financial audit as required from time to time.
10.5	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.
IV. SHAREHOLDER RIGHTS AND ENGAGEMENT 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 11: Shareholder Rights and Conduct of General Meetings	
11.1	The Company ensures that shareholders have the opportunity to participate effectively in and vote at the general meetings. Shareholders are informed of the rules that govern general meeting of shareholders. 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. Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders within the time notice period as prescribed by the regulations. These notices are also published in the newspapers and posted onto the SGXNET. Shareholders are encouraged to attend the general meetings to ensure high level of accountability, to put forth any questions they may have on the motions to be debated and decided upon and to stay informed of the Group's strategic goals and business update.
11.2	Resolutions at general meetings are on each separate and distinct in terms of issue. All resolutions at the general meetings are single item resolutions. All resolutions at general meetings of the Company will be put to vote by poll so as to better reflect shareholders' shareholding interest and ensure greater transparency. The results of the poll voting on each resolution tabled will be announced after the general meetings via SGXNET and the Company's website.
11.3	All Directors, including the Chairman of the Board and its committees attend all general meetings to address issues raised by shareholders. The Company's external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. The attendance of the Directors attending the general meetings is set out under Provision 1.5 of this Report.
11.4	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.
11.5	The minutes of general meetings, which include substantial comments or queries from shareholders and responses from the Board are available to shareholders upon written request. The Company does not publish minutes of general meetings of Shareholders on its corporate website as anticipated by Provision 11.5 as there might be potential adverse implications for the Company if the minutes of general meetings are published to the public at large. The Company is of the view that its position is consistent with intent of Principle 11 as Shareholders have a right to attend general meetings either in person or by proxy, including those who did not attend the relevant general meeting, have a statutory right to be furnished copies of minutes of general meetings in accordance with the Companies Act. The Company is therefore of the view that, consistent with the intent of Principle 11, as between themselves, Shareholders are treated fairly and equitably by the Company.

CORPORATE GOVERNANCE REPORT

For the financial year ended 30 April 2020

Guide	Compliance with the 2018 Code
11.6	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. And dividend payments are clearly communicated to shareholders via announcements on SGXNET. Pursuant to Rule 704(24) of the Listing Manual of the SGX-ST, in the event that the Board decides not to declare or recommend a dividend, the Company will expressly disclose the reason(s) for the decision together with the announcement of the financial statements.
Principle 12: Engagement with Shareholders	
12.1	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. 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.
12.2	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.
12.3	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.
Principle 13: Engagement with Stakeholders	
13.1	Stakeholder relations are important for the sustainable growth of the Group's business and therefore the Group seeks to maintain an open and transparent dialogue with its material stakeholders.
13.2	The Group undertakes a formal stakeholder engagement exercise, which is facilitated by a third party at least once every three years to determine the environmental, social and governance issues that are important to the stakeholders. These issues form the materiality matrix upon which targets, metrics, programmes and progress are reviewed and approved by the Board, before they are published annually in the sustainability report. Further details can be found in our sustainability report for the year ended 30 April 2020 which is released on 9 September 2020.
13.3	The Group regularly updates its corporate website at www.vibrant.com.sg for disseminating information to and improving communication with stakeholders.

CORPORATE GOVERNANCE REPORT

For the financial year ended 30 April 2020

COMPLIANCE WITH APPLICABLE MAINBOARD RULES	
Mainboard Rule	**Rule Description and Company's Compliance or Explanation**
907	**INTERESTED PERSON TRANSACTIONS ("IPT")** 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. The details of the IPT during the financial year are as follows:

Name of Interested Person(s)	Description of Interested Person Transactions	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) ($'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) ($'000)
Cargo Distribution Pte Ltd[(1)] Eric Khua Kian Keong Khua Hock Su	Rental paid by Cargo Distribution Pte Ltd to Vibrant Group Limited	49	–
	Interest charged by Cargo Distribution Pte Ltd to Vibrant Group Limited	1,149	–

Note:

(1) This entity is an associate of Messrs Khua Kian Keong, the Executive Director and Khua Hock Su, the Non-Executive Director and controlling shareholders of the Group.

The related party transactions as disclosed in Note 35 on Page 117 of the Annual Report are not interested person transactions within the ambit of Chapter 9 of the Listing Manual.

1207(19)	**DEALINGS IN SECURITIES** The Company has adopted a policy on dealing in securities, which prohibit dealings in the Company's securities by its Directors and officers during the period commencing one month prior to the announcement of its full-year results, and two weeks prior to the quarterly results and at any time when in possession of any unpublished material price-sensitive information. The Company's Directors and executives are expected to observe insider trading laws at all times. They are also advised to refrain from dealing in securities for short-term considerations.

FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

For the financial year ended 30 April 2020

We are pleased to submit this statement to the members together with the audited consolidated financial statements of Vibrant Group Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 30 April 2020 and statement of financial position of the Company as at 30 April 2020.

In our opinion:

(a) the accompanying financial statements of the Group and the Company 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 2020 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

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

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

NAME OF DIRECTORS

The directors of the Company in office at the date of this statement are:

Khua Hock Su	Non-Executive Director
Eric Khua Kian Keong	Executive Director and Chief Executive Officer
Sebastian Tan Cher Liang	Independent, Non-Executive Director
Derek Loh Eu Tse	Independent, Non-Executive Director

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company nor any of its subsidiaries a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits through the acquisition of shares in or debentures of the Company or of any other body corporate other than as disclosed in this statement.

DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Name of director and companies 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	335,471,785	**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**

DIRECTORS' STATEMENT

For the financial year ended 30 April 2020

DIRECTORS' INTEREST IN SHARES OR DEBENTURES (Continued)

Name of director and companies 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	21,571,226	**93,685,656**
– deemed interests	335,464,786	**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 (Resigned on 30 April 2020)		
The Company		
– ordinary shares		
– interests held	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. There were no changes in any of the above-mentioned interests in the Company between the end of the financial year and 21 May 2020.

SHARE OPTIONS

No share options were granted during the financial year to take up unissued shares of the Company or of its subsidiaries.

No shares were issued during the financial year to which this report relates by virtue of the exercise of options to take up unissued shares of the Company or of its subsidiaries. There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

DIRECTORS' STATEMENT

For the financial year ended 30 April 2020

AUDIT COMMITTEE

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

Sebastian Tan Cher Liang (Chairman)	Independent, Non-Executive Director
Khua Hock Su	Non-Executive Director
Derek Loh Eu Tse	Independent, 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 five 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, Foo Kon Tan 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.

INDEPENDENT AUDITOR

At the extraordinary general meeting of the Company held on 13 March 2020, Foo Kon Tan LLP was appointed as the independent auditor of the Company.

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

Eric Khua Kian Keong

Sebastian Tan Cher Liang

31 August 2020

INDEPENDENT AUDITOR'S REPORT

To the members of Vibrant Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Vibrant Group Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 April 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 April 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

1. Resolution of disclaimer of opinion issued for the financial year ended 30 April 2019

   Note 2 to the financial statements provides more information on (a) the acquisition of remaining 94.18% of the equity interests in Blackgold International Holdings Pty Ltd ("BIH") and its subsidiaries ("Blackgold Group") through a Scheme of Arrangement, (b) the subsequent discovery of accounting irregularities and discrepancies in respect of the coal mining and coal trading receipts and sales invoices of certain subsidiaries of Blackgold Group by the Company's predecessor auditors in the audit of Blackgold Group and (c) the findings noted in the Report of Factual Assessment issued by the Company's appointed investigating auditors on (i) Relevant Sales Transactions and (ii) Specific Accounts of Blackgold Group which highlighted multiple potential material misstatements in the financial position of Blackgold Group as at the acquisition date and in the financial results of Blackgold Group for the period from the date of acquisition to 30 April 2018.

   The accounting records of Blackgold Group were then destroyed in a fire incident on 9 August 2018 and coupled with the irregularities found, the financial information was deemed to be incomplete, inaccurate and unreliable. On this basis, the Group did not consolidate the financial results of Blackgold Group as required by Singapore Financial Reporting Standards (International) 10 – *Consolidated Financial Statements* ("SFRS(I) 10") for the financial years ended 30 April 2018 and 30 April 2019. Furthermore, management had written off its investment in and receivables from Blackgold Group of $41.4 million and $21.8 million respectively in the financial year ended 30 April 2018 on the basis that the recoverability of the investment and receivables is remote.

   As a result of the matters highlighted in the preceding paragraphs, the predecessor auditors of the Company had issued a disclaimer of opinion on the non-consolidation of the balances and transactions relating to Blackgold Group in the consolidated financial statements for the financial years ended 30 April 2018 and 30 April 2019 as this was not in compliance with SFRS(I) 10.

   On 10 September 2018, the Company announced on SGXNet that various law suits have been filed by China Minsheng Banking Corporation Limited (Chongqing Branch) (the "Plaintiff") in the Chongqing People's High Court (the "PRC Court") against twelve parties (the "Defendants"), out of which eight are the subsidiaries of BIH operating in the People's Republic of China (the "PRC Blackgold Group"). The PRC Blackgold Group constituted the main significant components of Blackgold Group. The Plaintiff stated that the Defendants have failed to make certain payments and guarantee obligations in respect of an RMB 500 million loan facility (the "Loan Facility"). A freezing order has been imposed on the loan collaterals, which comprised of (i) pledges of the shares of all entities of the PRC Blackgold Group, (ii) mortgages of vessels owned by an entity in the PRC Blackgold Group and (iii) mortgages of mining licenses owned by certain entities of the PRC Blackgold Group in connection with the Loan Facility granted by the Plaintiff.

INDEPENDENT AUDITOR'S REPORT

To the members of Vibrant Group Limited

Key Audit Matters (Continued)

1. Resolution of disclaimer of opinion issued for the financial year ended 30 April 2019 (Continued)

During the current financial year ended 30 April 2020, management engaged an independent legal counsel in the People's Republic of China (the "PRC Counsel") to provide an update on the law suit and to provide their opinion on certain matters concerning the lawsuit of the PRC Blackgold Group and the Blackgold Group, based on the applicable PRC laws. In the legal opinion dated 24 July 2020, the PRC Counsel confirmed that the Group has lost and has no control over the loan collaterals which have been frozen by the relevant PRC Court in August 2018.

Based on the above and after assessing and considering all the facts and circumstances, management is of the view that the Group is not exposed, and has no rights, to variable returns from its involvement in the PRC Blackgold Group and has no ability to affect those returns through its power over the PRC Blackgold Group with effect from August 2018. Accordingly, SFRS(I) 10 does not apply in respect of its investment in the PRC Blackgold Group.

Our response and work performed:

We read the legal opinion issued by the PRC Counsel dated 24 July 2020, ascertained the facts and applied SFRS(I) 10 which defines the principle and elements of control and establishes the basis for determining which entities are consolidated in the financial statements. The crux of the disclaimer of opinion involves determining whether the Group has control over Blackgold Group at each reporting date (i.e. as at 30 April 2018, 30 April 2019 and 30 April 2020) in accordance with SFRS(I) 10.

The concept of "control" as defined in SFRS(I) 10 is prescriptive which states that an investor controls an investee when (i) the investor has power over the investee, (ii) the investor is exposed, or has rights, to variable returns from its involvement with the investee and (iii) has the ability to affect those returns through its power over the investee. The 3 elements of control are interlinked and if any of the 3 elements are not met, then the investor does not have control over the investee.

The PRC Counsel cited that the implementation and the enforcement of the freezing order, sometime in August 2018 (i.e. case acceptance date by the PRC Court) has resulted in a loss of control over the loan collaterals of the PRC Blackgold Group. These loan collaterals are crucial in affecting the Group's returns from the PRC Blackgold Group. Furthermore, the freezing order imposed by the PRC Court also creates barriers that prevents the Group from exercising its rights due to the legal and regulatory requirements. As long as the freezing order is not removed, the Group cannot exercise its rights when decisions about the directions of the relevant activities of the PRC Blackgold Group needs to be made.

2. Accounting for sale and leaseback transaction

Note 6 to the financial statements provides more information on the sale and leaseback of No. 121 Banyan Drive Singapore 627570 (the "Property") to SGRE Banyan Pte. Ltd. ("SGRE") for a purchase consideration of $227.5 million (the "Transaction"). Pursuant to the sale of the Property, the Group commenced a 10-years lease with SGRE. As at 30 April 2019, the Property including the related provision, have been classified as an "asset held-for-sale" with a carrying amount of $117.3 million.

With the adoption of SFRS(I) 16 – *Leases* with effect from 1 May 2019, the above sale and leaseback transaction requires management to assess whether the Transaction should be recognised as a sale of the Property in accordance with SFRS(I) 15 – *Revenue from Contracts with Customers* or as a financing transaction. Management has assessed the Transaction to be a sale since SGRE has obtained control of the Property on 10 May 2019 in accordance with SFRS(I) 15. Accordingly, management has recorded a gain on transfer of rights over the Property to SGRE amounting to $41.3 million in the consolidated statement of comprehensive income. In addition, at the commencement of the lease, the Group measures the right-of-use asset amounting to $66.7 million arising from the leaseback of the Property at the proportion of the previous carrying amount of the Property that relates to the right-of-use retained by the Group and a corresponding lease liability of $118.5 million in the consolidated statement of financial position. The interest rate implicit in the lease was 4.93% per annum.

This was determined to be a key audit matter due to the financial significance and complexity of the transaction and judgement required in the assessment.

Our response and work performed:

We gained an understanding of the substance of the Transaction through discussions with management and read the relevant agreements. We assessed the appropriateness of the accounting of the Transaction in accordance with SFRS(I) 15. We engaged our auditor's expert to review the appropriateness of the interest rate implicit in the lease. We recomputed the gain on the rights transferred to SGRE, the right-of-use asset and lease liability, respectively at the date of inception and the subsequent depreciation and interest expense recorded in the consolidated statement of comprehensive income for the financial year ended 30 April 2020. Furthermore, we validated the net proceeds received, the repayment of the associated bank facility previously secured on the Property, the placement of rental bond and payment of other related expenditure, respectively, to supporting documents.

INDEPENDENT AUDITOR’S REPORT

To the members of Vibrant Group Limited

Key Audit Matters (Continued)

3. Impairment assessment on investments in associates

As at 30 April 2020, the carrying amount of the Group’s investments in associates amounted to $64.4 million, which represented 10% of the Group’s total assets. The principal activities of the Group’s significant associates are involved in various business activities such as (i) mining and trading of coal, (ii) provision of integrated freight and logistics services, (iii) general contractors and providers of general building engineering services, and (iv) property development.

As disclosed in the Group’s accounting policies, interests in associates are carried in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group’s share of profit or loss and other comprehensive income of the associates, less impairment in the values of the individual investments. Accordingly, management is required to assess at each reporting date whether there are any indications that the carrying amounts of interests in associates may be impaired. For those associates in which such indicators exist, management determines the recoverable amounts of the associates. During the current financial year, the Group recorded impairment loss on the investments in associates amounting to $12.1 million in the consolidated statement of comprehensive income.

We identified the impairment assessment of interests in associates as a key audit matter due to the significance of the amount in the context of the Group’s consolidated financial statements, combined with the judgements involved in management’s impairment assessment of the interests in associates, in particular, the future prospects of each associate.

Our response and work performed:

We gained an understanding of the management’s process for identifying the existence of impairment indicators in respect of the interests in associates and evaluating the effectiveness of such process. Where indicators of impairment have been identified, we assessed the reasonableness of the recoverable amount of each of the relevant associates and obtained an understanding from management of their financial positions and future prospect. We assessed the reasonableness of the key inputs and assumptions used by management in their estimation of recoverable amounts and performed re-computation to ascertain the accuracy of the impairment loss recorded during the current financial year. In addition, we have reviewed the appropriateness of the necessary disclosures in the Group’s financial statements.

4. Valuation of investment properties

The Group has an investment property each in Malaysia and the People’s Republic of China with an aggregated carrying amount of $143.1 million and representing 23% of the Group’s total assets as at 30 April 2020. Investment properties represent the most significant asset item on the consolidated statement of financial position.

The Group’s accounting policy is to state investment properties at fair value based on independent external valuations. Significant judgements and estimates are involved in determining the appropriate valuation methods and assumptions applied in the valuations. A small change in the key assumptions applied by the valuers such as the discount rate, terminal yield rate, capitalisation rate and price per square metre can have a significant impact to the valuation. During the current financial year, the Group recorded a fair value loss on investment properties of $7.9 million in the consolidated statement of comprehensive income.

Our response and work performed:

We assessed the Group’s processes for the selection of the external valuers, the determination of the scope of work of the external valuers, and the review and acceptance of the valuations reported by the external valuers. We also read the terms of engagement of the external valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work. We have evaluated the professional competence, qualification and objectivity of the external valuers, obtained an understanding of the work of the external valuers and evaluated the appropriateness of that expert’s work as audit evidence for the relevant assertion.

Through our appointed auditor’s expert and our review of the audit working papers of the component auditors, we noted the valuation methodologies used against those applied by the external valuers for similar property types. We tested the integrity of inputs of the projected cashflows used in the valuations to supporting lease and other documents. We have evaluated whether the auditor’s expert has the necessary competence, capabilities and objectivity for our group audit purposes. We challenged the key assumptions used in the valuation, which included capitalisation, discount and terminal yield rates by comparing them against historical rates and available industry rate, taking into consideration comparability and market factors. We have also reviewed the mathematical correctness of the fundamental calculation steps.

We have also considered the adequacy of the descriptions in the financial statements, in describing the inherent degree of subjectivity and key assumptions used in the estimates. This includes the relationship between the key unobservable inputs and fair values, in conveying the uncertainties.

INDEPENDENT AUDITOR'S REPORT

To the members of Vibrant Group Limited

Key Audit Matters (Continued)

5. Recoverability of trade and other receivables

Trade and other receivables balances were significant to the Group as they represent 15% of the Group's total assets. The collectability of the trade and other receivables are key elements of the Group's working capital management, which is managed on an ongoing basis by management. The Group determines impairment of trade and other receivables by making debtor-specific assessment for credit-impaired debtors.

For the Group's trade receivables, management uses an allowance matrix to measure the expected credit losses ("ECL") from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated based on common credit risk characteristics, i.e. respective ageing categories based on two-years historical data, adjusted for current and forward-looking information.

For other receivables, which included loans to associates, non-trade advances to related and third parties and non-controlling interests of it subsidiaries, management carried out assessment of qualitative and quantitative factors that are indicative of the risk of default, and determined the expected credit loss for each outstanding receivable based on probabilities of default and loss given default, using published historical data supplied by credit rating agencies.

During the current financial year, the Group recorded impairment loss of $17.5 million on its trade and other receivables in the consolidated statement of comprehensive income.

This area is a key audit matter due to the amounts involved, as well as the inherent subjectivity that was involved in judgment made by the management in relation to assumptions used in the ECL model such as forward-looking macroeconomic factors.

Our response and work performed:

As part of our audit, we assessed the Group's processes and key controls relating to the monitoring of trade and other receivables, including the process in determining whether a debtor is credit-impaired and the Group's processes in collating the key data sources and assumptions for data used in the ECL model. We reviewed the key data sources and assumptions for data used in the determination of default rate and the correlation between the default rate and the current and forward-looking adjustment factor. We considered the age of the debts as well as the trend of collections to identify collection risks. We obtained trade and other receivable confirmations and reviewed for collectability by way of obtaining evidence of receipts from the debtors on a sampling basis, subsequent to the balance sheet date. We also considered the disclosures in the financial statements about the extent of estimation and judgement involved in determining allowance for doubtful debts. Disclosure of the pertinent information has also been set out in Notes 13 and 36 to the financial statements respectively.

Other matter

The financial statements for the financial year ended 30 April 2019 were audited by another firm of auditors whose report dated 7 August 2019 expressed a disclaimer of opinion on those financial statements.

Information other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information obtained prior to this auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

To the members of Vibrant Group Limited

Responsibilities of Management and Those Charged with Governance 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 SFRS(I)s, 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.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the members of Vibrant Group Limited

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditor's report is Kong Chih Hsiang Raymond.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 31 August 2020

STATEMENTS OF **FINANCIAL POSITION**

As at 30 April 2020

	Note	The Group			The Company	
		30 April 2020 $'000	30 April 2019 $'000 (Restated)	1 May 2018 $'000 (Restated)	**30 April 2020 $'000**	30 April 2019 $'000
ASSETS						
Non-Current						
Property, plant and equipment	5	**118,898**	130,127	261,761	**228**	283
Right-of-use assets	6	**88,181**	–	–	**–**	–
Intangible assets	7	**–**	472	472	**–**	–
Investment properties	8	**143,101**	147,539	127,147	**–**	–
Subsidiaries	9	**–**	–	–	**30,712**	17,752
Associates	10	**64,409**	88,625	80,042	**9,413**	25,033
Other investments	11	**99**	121	29,256	**–**	–
Deferred tax assets	12	**6,924**	5,030	5,452	**–**	–
Trade and other receivables	13	**6,325**	1,543	55,512	**267,360**	314,116
		427,937	373,457	559,642	**307,713**	357,184
Current						
Other investments	11	**42,159**	59,077	47,244	**28,303**	33,498
Development properties	14	**–**	–	120,398	**–**	–
Inventories		**499**	410	525	**–**	–
Trade and other receivables	13	**88,668**	103,076	135,156	**8,341**	8,552
Cash and cash equivalents	15	**61,907**	44,195	70,549	**642**	271
		193,233	206,758	373,872	**37,286**	42,321
Assets held-for-sale	16	**–**	141,546	–	**–**	–
		193,233	348,304	373,872	**37,286**	42,321
Total assets		**621,170**	721,761	933,514	**344,999**	399,505
EQUITY						
Capital and Reserves						
Share capital	17	**174,337**	174,337	174,337	**174,337**	174,337
Reserves	18	**18,066**	4,951	9,093	**5,706**	5,102
Retained earnings		**30,161**	27,095	19,337	**12,541**	2,890
Equity attributable to owners of the company		**222,564**	206,383	202,767	**192,584**	182,329
Non-controlling interests	39	**12,477**	73,510	91,525	**–**	–
Total equity		**235,041**	279,893	294,292	**192,584**	182,329
LIABILITIES						
Non-Current						
Loans and borrowings	19	**49,946**	123,385	18,750	**–**	65,753
Lease liabilities	20	**116,479**	–	–	**–**	–
Trade and other payables	21	**29,499**	7,913	23,969	**68,774**	62,504
Provisions	22	**1,712**	1,716	3,742	**–**	–
Deferred tax liabilities	12	**9,377**	10,637	8,414	**–**	–
		207,013	143,651	54,875	**68,774**	128,257
Current						
Loans and borrowings	19	**84,184**	206,848	325,336	**68,885**	72,840
Lease liabilities	20	**17,814**	–	–	**–**	–
Trade and other payables	21	**69,521**	73,272	250,089	**14,716**	15,983
Provisions	22	**141**	141	141	**–**	–
Current tax payable		**7,456**	7,978	8,781	**40**	96
		179,116	288,239	584,347	**83,641**	88,919
Liabilities directly associated with the assets held-for-sale	16	**–**	9,978	–	**–**	–
		179,116	298,217	584,347	**83,641**	88,919
Total liabilities		**386,129**	441,868	639,222	**152,415**	217,176
Total equity and liabilities		**621,170**	721,761	933,514	**344,999**	399,505

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the financial year ended 30 April 2020

	Note	Year ended 30 April 2020 $'000	Year ended 30 April 2019 $'000 (Restated)
Revenue	23	**146,501**	281,737
Cost of sales		**(105,626)**	(214,698)
Gross profit		**40,875**	67,039
Other income	24	**66,189**	10,647
Administrative expenses		**(35,161)**	(37,814)
Impairment loss on trade and other receivables	26	**(17,456)**	(1,220)
Other operating expenses		**(12,362)**	(8,236)
Profit from operations		**42,085**	30,416
Finance income	25	**2,744**	1,947
Finance costs	25	**(15,001)**	(16,306)
Net finance costs		**(12,257)**	(14,359)
Impairment loss on investment in associates	10	**(12,108)**	(1,217)
Share of results of associates (net of income tax)	10	**(4,716)**	11,115
Profit before taxation	26	**13,004**	25,955
Tax credit/(expense)	27	**2,581**	(8,173)
Profit from continuing operations		**15,585**	17,782
Discontinued operation			
Profit from discontinued operation (net of tax)	28	**319**	3,031
Profit for the year		**15,904**	20,813
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Equity investments at FVOCI – net change in fair value		**1,010**	(748)
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		**(2,132)**	(4,909)
Share of reserves of associates		**88**	(1,079)
Other comprehensive expense, net of tax		**(2,044)**	(5,988)
Total comprehensive income for the year		**14,870**	14,077
Profit for the year attributable to:			
– Owners of the Company		**5,466**	7,758
– Non–controlling interests	39	**10,438**	13,055
		15,904	20,813
Total comprehensive income for the year attributable to:			
– Owners of the Company		**5,296**	3,661
– Non-controlling interests	39	**9,574**	10,416
		14,870	14,077
Earnings per share			
Diluted and basic earnings per share (cents)	29	**0.79**	1.12

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 30 April 2020

The Group	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Other reserve $'000	Retained earnings $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 May 2018, as reported	174,337	(1,935)	7,089	–	3,935	24	18,130	201,580	90,383	291,963
Prior year adjustments (Note 40(i))	–	–	–	–	(20)	–	1,207	1,187	1,142	2,329
Balance at 1 May 2018, as restated	174,337	(1,935)	7,089	–	3,915	24	19,337	202,767	91,525	294,292
Total comprehensive income for the year										
Profit for the year, as reported	–	–	–	–	–	–	7,690	7,690	12,990	20,680
Prior year adjustments (Note 40(i))	–	–	–	–	–	–	68	68	65	133
Profit for the year, as restated	–	–	–	–	–	–	7,758	7,758	13,055	20,813
Other comprehensive income										
Translation differences, as reported	–	–	–	–	(2,485)	–	–	(2,485)	(2,516)	(5,001)
Prior year adjustments (Note 40(i))	–	–	–	–	47	–	–	47	45	92
Translation differences, as restated	–	–	–	–	(2,438)	–	–	(2,438)	(2,471)	(4,909)
Share of reserves of associates	–	–	1	–	(1,107)	27	–	(1,079)	–	(1,079)
Net change in fair value – equity investments at FVOCI	–	–	–	(580)	–	–	–	(580)	(168)	(748)
Total other comprehensive income	–	–	1	(580)	(3,545)	27	–	(4,097)	(2,639)	(6,736)
Total comprehensive income for the year	–	–	1	(580)	(3,545)	27	7,758	3,661	10,416	14,077
Transactions with owners of the Company, recognised directly in equity										
Contributions by and distributions to owners of the Company										
Dividends declared to non-controlling interests	–	–	–	–	–	–	–	–	(6,223)	(6,223)
Purchase of treasury shares	–	(45)	–	–	–	–	–	(45)	–	(45)
Total contributions by and distributions to owners of the Company	–	(45)	–	–	–	–	–	(45)	(6,223)	(6,268)
Changes in ownership interests in subsidiaries										
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	952	952
Disposal of interest in a subsidiary with loss of control	–	–	–	–	–	–	–	–	(23,160)	(23,160)
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	–	(22,208)	(22,208)
Total transactions with owners of the Company	–	(45)	–	–	–	–	–	(45)	(28,431)	(28,476)
At 30 April 2019	174,337	(1,980)	7,090	(580)	370	51	27,095	206,383	73,510	279,893

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY** (Continued)

For the financial year ended 30 April 2020

The Group	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Other reserve $'000	Retained earnings $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 May 2019, as reported	174,337	(1,980)	7,090	(580)	343	51	25,820	205,081	72,258	277,339
Prior year adjustments (Note 40(i))	–	–	–	–	27	–	1,275	1,302	1,252	2,554
Balance at 1 May 2019, as restated	174,337	(1,980)	7,090	(580)	370	51	27,095	206,383	73,510	279,893
Total comprehensive income for the year										
Profit for the year	–	–	–	–	–	–	**5,466**	**5,466**	**10,438**	**15,904**
Other comprehensive income										
Translation differences	–	–	–	–	**(1,104)**	–	–	**(1,104)**	**(1,028)**	**(2,132)**
Share of reserves of associates	–	–	**1**	–	**77**	**10**	–	**88**	–	**88**
Net change in fair value – equity investments at FVOCI	–	–	–	**846**	–	–	–	**846**	**164**	**1,010**
Net change in fair value – equity investments at FVOCI transferred to retained earnings	–	–	–	**(266)**	–	–	**266**	–	–	–
Total other comprehensive income	–	–	**1**	**580**	**(1,027)**	**10**	**266**	**(170)**	**(864)**	**(1,034)**
Total comprehensive income for the year	–	–	**1**	**580**	**(1,027)**	**10**	**5,732**	**5,296**	**9,574**	**14,870**
Transactions with owners of the Company, recognised directly in equity										
Contributions by and distributions to owners of the Company										
Dividends declared (Note 17)	–	–	–	–	–	–	**(2,666)**	**(2,666)**	–	**(2,666)**
Dividend declared for settlement of balances due from non-controlling interests (Note 13(c))	–	–	–	–	–	–	–	–	**(28,603)**	**(28,603)**
Total contributions by and distributions to owners of the Company	–	–	–	–	–	–	**(2,666)**	**(2,666)**	**(28,603)**	**(31,269)**
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests without a change in control (Note 9(A) & (B))	–	–	**13,551**	–	–	–	–	**13,551**	**(37,774)**	**(24,223)**
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	**556**	**556**
Disposal of interest in a subsidiary with loss of control	–	–	–	–	–	–	–	–	**(4,786)**	**(4,786)**
Total changes in ownership interests in subsidiaries	–	–	**13,551**	–	–	–	–	**13,551**	**(42,004)**	**(28,453)**
Total transactions with owners of the Company	–	–	**13,551**	–	–	–	**(2,666)**	**10,885**	**(70,607)**	**(59,722)**
At 30 April 2020	**174,337**	**(1,980)**	**20,642**	–	**(657)**	**61**	**30,161**	**222,564**	**12,477**	**235,041**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

For the financial year ended 30 April 2020

	Note	**Year ended 30 April 2020 $'000**	Year ended 30 April 2019 $'000 (Restated)
Cash Flows from Operating Activities			
Profit after taxation		**15,904**	20,813
Adjustments for:			
Depreciation of property, plant and equipment	5	**8,495**	10,949
Depreciation of right-of-use assets	6	**12,588**	–
Dividend income		**(3)**	(1,263)
Fair value gain on foreign exchange forward contracts		**(21)**	(556)
Fair value loss/(gain) on investment properties	8	**7,942**	(8,300)
Fair value loss/(gain) on financial instruments at FVTPL		**408**	(205)
Finance costs	25, 28	**15,004**	16,306
Finance income	25, 28	**(2,750)**	(1,980)
Foreign exchange (gain)/loss, net		**(1,184)**	5,336
Gain on rights transferred in a sale and leaseback transaction	24	**(41,313)**	–
(Gain)/loss on disposal of equity investments	24, 26	**(3,330)**	2
(Gain)/loss on disposal of property, plant and equipment	24, 26	**(93)**	195
Government grant		**(755)**	–
Gain on disposal of subsidiaries	24	**(16,750)**	(758)
Loss on disposal of an associate		**–**	89
Impairment loss on investment in associates	10	**12,108**	1,217
Impairment loss on trade and other receivables, (including RCCPS in an associate), net	26	**17,456**	1,220
Property, plant and equipment written off	26	**38**	43
Share of associates' results	10	**4,716**	(11,115)
Tax (credit)/expense	27, 28	**(2,538)**	8,818
Operating profit before working capital changes		**25,922**	40,811
Changes in development properties		**–**	83,060
Changes in inventories		**(89)**	62
Changes in trade and other receivables		**(38,070)**	(32,437)
Changes in trade and other payables		**38,765**	(64,320)
Cash generated from operations		**26,528**	27,176
Income tax refunded		**15**	679
Income tax paid		**(1,228)**	(2,208)
Net cash generated from operating activities		**25,315**	25,647

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS** (Continued)

For the financial year ended 30 April 2020

	Note	**Year ended 30 April 2020 $'000**	Year ended 30 April 2019 $'000 (Restated)
Cash Flows from Investing Activities			
Acquisition of shares in associates	10	**(2,936)**	(203)
Acquisition of non–controlling interests in subsidiaries	9	**(12,220)**	–
Capital expenditure of investment properties	8	**(4,395)**	(15,676)
Cash contribution received from non–controlling interests		**548**	952
Dividends received		**953**	1,930
Finance income received		**947**	1,833
Loans to associates		**(17,340)**	(4,010)
Loans to non–controlling interests		**(750)**	(2,873)
Loans to related parties		**(800)**	–
Loans to third parties		**–**	(3,842)
Partial repayment of RCCPS		**1,634**	–
Proceeds from disposal of an associate		**–**	5
Proceeds from disposal of subsidiaries, net of cash disposed	38	**17,402**	25,556
Proceeds from sale of other investments		**47,074**	57
Proceeds from sale of property, plant and equipment		**291**	5,851
Proceeds from sale and leaseback transaction	6	**210,368**	–
Purchase of other investments		**(19,451)**	–
Purchase of property, plant and equipment	5	**(1,381)**	(1,929)
Repayment of loan by an associate		**7,951**	592
Repayment of loan by third parties		**–**	32,755
Net cash generated from investing activities		**227,895**	40,998
Cash Flows from Financing Activities			
Deposit pledged	15	**(8,783)**	11,394
Dividend paid to non-controlling interests of a subsidiary		**(136)**	(6,223)
Dividends paid to shareholders of the Company	17	**(2,666)**	–
Finance costs paid	Note A	**(14,700)**	(16,379)
Government grant received		**1,212**	–
Proceeds from borrowings	Note A	**21,070**	10,946
Proceeds from loan from a related party	Note A	**–**	4,750
Proceeds from loan from non-controlling interest	Note A	**45**	2,084
Proceeds from loan from third parties	Note A	**–**	1,006
Purchase of treasury shares		**–**	(45)
Redemption of notes payable	Note A	**(47,263)**	(1,720)
Repayment of borrowings	Note A	**(167,015)**	(22,609)
Repayment of lease liabilities (2019 - finance lease liabilities)	Note A	**(16,900)**	(1,801)
Repayment of loan to a director	Note A	**(1,721)**	(10,000)
Repayment of loan to related parties	Note A	**(11,500)**	–
Repayment of loans to non-controlling interests	Note A	**–**	(6,345)
Repayment of loan to third parties	Note A	**(997)**	(35,557)
Net cash used in financing activities		**(249,354)**	(70,499)
Net increase/(decrease) in cash and cash equivalents		**3,856**	(3,854)
Cash and cash equivalents at beginning of year	15	**49,323**	54,335
Effect of exchange fluctuations on cash and cash equivalents		**(55)**	(1,158)
Cash and cash equivalents at end of year	15	**53,124**	49,323

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS** (Continued)

For the financial year ended 30 April 2020

Note A: Reconciliation of liabilities arising from financing activities

	Loans and borrowings $'000	Lease liabilities $'000	Accrued interest $'000	Loans from related parties $'000	Loan from a director $'000	Loans from non-controlling interests $'000	Loan from third parties $'000	Non-trade amounts due to related parties $'000	Non-trade amounts due to non-controlling interests $'000	Total $'000
At 1 May 2019	330,233	–	1,504	15,082	1,721	20,535	1,006	1,710	1,031	372,822
Cash flows:										
Finance costs paid	**(3,526)**	**(6,400)**	**(4,774)**	–	–	–	–	–	–	**(14,700)**
Proceeds from borrowings	**21,070**	–	–	–	–	–	–	–	–	**21,070**
Proceeds from non-controlling interest	–	–	–	–	–	**45**	–	–	–	**45**
Redemption of notes payables	**(47,263)**	–	–	–	–	–	–	–	–	**(47,263)**
Repayment of borrowings	**(167,015)**	–	–	–	–	–	–	–	–	**(167,015)**
Repayment of loan from a director	–	–	–	–	**(1,721)**	–	–	–	–	**(1,721)**
Repayment of loan from related parties	–	–	–	**(11,500)**	–	–	–	–	–	**(11,500)**
Repayment of loans from third parties	–	–	–	–	–	–	**(997)**	–	–	**(997)**
Repayment of lease liabilities	–	**(16,900)**	–	–	–	–	–	–	–	**(16,900)**
	(196,734)	**(23,300)**	**(4,774)**	**(11,500)**	**(1,721)**	**45**	**(997)**	–	–	**(238,981)**
Non-cash changes:										
Adoption of SFRS(I) 16	**(3,058)**	**23,980**	–	–	–	–	–	–	–	**20,922**
Finance costs	**3,350**	**6,400**	**3,885**		–	–	–	**1,333**	**36**	**15,004**
Novation of loan (Note 13(b))	–	–	–	**21,452**	–	–	–	–	–	**21,452**
New leases	–	**127,225**	–	–	–	–	–	–	–	**127,225**
Foreign exchange differences	**(169)**	**(6)**	**1**	–	–	**188**	**(9)**	**14**	**30**	**49**
Others	**508**	**(6)**	**(311)**	–	–	–	–	**16**	**65**	**272**
	631	**157,593**	**3,575**	**21,452**	–	**188**	**(9)**	**1,363**	**131**	**184,924**
At 30 April 2020	**134,130**	**134,293**	**305**	**25,034**	–	**20,768**	–	**3,073**	**1,162**	**318,765**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS** (Continued)

For the financial year ended 30 April 2020

Note A: Reconciliation of liabilities arising from financing activities (Continued)

	Loans and borrowings $'000	Accrued interest $'000	Loans from related parties $'000	Loan from a director $'000	Loans from non-controlling interest $'000	Loans from third parties $'000	Non-trade amount due to related parties $'000	Non-trade amounts due to non-controlling interests $'000	Total $'000
At 1 May 2018	344,086	1,987	10,332	11,721	26,955	–	1,491	1,027	397,599
Cash flows:									
Finance costs paid	(6,568)	(9,811)	–	–	–	–	–	–	(16,379)
Proceeds from borrowings	10,946	–	–	–	–	–	–	–	10,946
Proceeds from loan from a related party	–	–	4,750	–	–	–	–	–	4,750
Proceeds from loans from non-controlling interest	–	–	–	–	2,084	–	–	–	2,084
Proceeds from loan from third parties	–	–	–	–	–	1,006	–	–	1,006
Redemption of notes payable	(1,720)	–	–	–	–	–	–	–	(1,720)
Repayment of borrowings	(22,609)	–	–	–	–	–	–	–	(22,609)
Repayment of finance lease liabilities	(1,801)	–	–	–	–	–	–	–	(1,801)
Repayment of loan to a director	–	–	–	(10,000)	–	–	–	–	(10,000)
Repayment of loans to non-controlling interest	–	–	–	–	(6,345)	–	–	–	(6,345)
Repayment of loan to third parties	–	–	–	–	–	(35,557)	–	–	(35,557)
	(21,752)	(9,811)	4,750	(10,000)	(4,261)	(34,551)	–	–	(75,625)
Non-cash changes:									
Changes arising from losing control of subsidiary	–	(215)	–	–	(2,095)	35,557	–	–	33,247
Finance costs	6,320	9,657	–	–	146	–	183	–	16,306
New leases	1,133	–	–	–	–	–	–	–	1,133
Foreign exchange differences	4	(21)	–	–	(210)	–	20	4	(203)
Others	442	(93)	–	–	–	–	16	–	365
	7,899	9,328	–	–	(2,159)	35,557	219	4	50,848
At 30 April 2019	330,233	1,504	15,082	1,721	20,535	1,006	1,710	1,031	372,822

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

1 GENERAL INFORMATION

The financial statements of the Group and of the Company for the financial year ended 30 April 2020 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company was incorporated as a limited liability company and domiciled in Singapore. The registered office and place of business is located at 51 Penjuru Road #04-00 Freight Links Express Logisticentre, Singapore 609143.

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 principal activities of the Company are that of an investment holding company.

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

2 BLACKGOLD INTERNATIONAL HOLDINGS PTY LTD & ITS SUBSIDIARIES (THE BLACKGOLD GROUP)

The Company acquired 94.18% of the shares of Blackgold International Holdings Pty Ltd ("BIH") through a scheme of arrangement approved by the Federal Court of Australia, on 13 July 2017 (the Acquisition). The Company paid a consideration of $39.6 million 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 Singapore Financial Reporting Standards (International) 10 – *Consolidated Financial Statements* ("SFRS(I) 10").

During the course of the audit for the financial year ended 30 April 2018, 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 subsequently destroyed in a fire incident on 9 August 2018.

In the Report of Factual Assessment into the (i) Relevant Sales Transactions and (ii) Specific Accounts of Blackgold Group dated 24 January 2019 that was issued by the Company's investigating auditors, multiple potential material misstatements in the financial position of the Blackgold Group as at 13 July 2017 (the Acquisition Date) and in the financial results of Blackgold Group for the period from the Acquisition Date to 30 April 2018 were reported. These material misstatements include the potential overstatement of non-current assets, trade receivables and accounts payable at the Acquisition Date, as well as potential misstatement of sales and bank transactions between 1 July 2017 to 30 April 2018.

Due to the fire incident and the irregularities found, the financial information was deemed as incomplete, inaccurate and unreliable. Accordingly, the Group did not consolidate the financial results of Blackgold Group as required by SFRS(I) 10 for the financial years ended 30 April 2018 and 30 April 2019.

The Group had written off its investment in and receivables from Blackgold Group of $41.4 million and $21.8 million respectively, in the financial year ended 30 April 2018, on the basis that recoverability of the investment and receivables is remote. The Group's financial statements do not reflect any adjustments that may be necessary arising from the implications of the matters above.

On 11 February 2020, the Company announced in SGXNet that various law suits were made by China Minsheng Banking Corporation Limited (Chongqing Branch) ("Chongqing Minsheng") against twelve parties (the "Defendants"), out of which eight are the subsidiaries of BIH operating in the People's Republic of China (the "PRC Blackgold Group") (the "Chongqing Minsheng Law Suits"). In addition, an entity of the PRC Blackgold Group had provided joint and several guarantee, as one of the guarantors, for loans amounting to approximately RMB 198 million extended to Jiangsu Huayu Energy Group Co., Ltd by China Minsheng Banking Corporation Limited (Nanjing Branch) ("Nanjing Minsheng") and was ordered by Jiangsu Nanjing Intermediate People's Court to be jointly liable for the repayment obligations (the "Nanjing Minsheng Law Suits") and together with the Chongqing Minsheng Law Suits, collectively known as the "Law Suits".

The Board of the Company has engaged a legal counsel in the People's Republic of China ("PRC") to provide an update on the Law Suits and to provide their opinion on certain matters concerning the Law Suits, the PRC Blackgold Group and the Group based on the applicable PRC laws.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

2 BLACKGOLD INTERNATIONAL HOLDINGS PTY LTD & ITS SUBSIDIARIES (THE BLACKGOLD GROUP) (Continued)

In the course of conducting its legal searches and investigations, the PRC Counsel in its legal opinion dated 24 July 2020 noted the following:

(a) Chongqing Minsheng Law Suits

Based on an announcement made by Chonqging Minsheng on 8 April 2020, it was disclosed that Chongqing Minsheng has transferred all its creditor's rights together with its interests in all the security ("Loan Collaterals") provided in connection with the relevant bank loans granted to the PRC Blackgold Group to Chongqing Fucheng Assets Management Co., Ltd ("Chongqing Fucheng") and the Loan Collaterals included (i) joint and several guarantees provided by certain entities of the PRC Blackgold Group and the former Chief Executive Officer of Blackgold Group and his associates; (ii) share pledges of certain entities of the PRC Blackgold Group; (iii) mortgages of vessels owned by one of the entities of PRC Blackgold Group; (iv) mortgages of mining licenses owned by certain entities of the PRC Blackgold Group. It was further noted that Chongqing Fucheng has transferred all its creditor's rights together with its interest in the Loan Collaterals to Shanghai Chenjin Shangmao Co., Ltd. ("Shanghai Chenjin"). As at the date of the legal opinion, Shanghai Chenjin has not applied for enforcement of the judgement of the Chongqing Minsheng Law Suits.

(b) Nanjing Minsheng Law Suits

The PRC Counsel noted that Nanjing Minsheng has applied for enforcement of the judgements of the Nanjing Minsheng Law Suits. Pursuant to the Decisions of Enforcement Suspension made by the Nanjing Intermediate People's Court on 4 September 2019, the Court has decided to suspend the enforcement proceedings due to, amongst others, all frozen assets having been encumbered by prior security rights or other court enforcement proceedings and the Court was unable to source or trace any other valuable assets of that entity of the PRC Blackgold Group and the other defendants.

The PRC Counsel also concluded that the Group has lost and has no control over the Loan Collaterals and Blackgold Holdings Hong Kong Limited, being the direct sole shareholder and the pre-ultimate holding company of the PRC Blackgold Group, shall be liable for the indebtedness up to the amount of their respective subscribed registered share capital in accordance with PRC Company Law. Without any guarantees or undertakings otherwise agreed or provided, the relevant creditors of the PRC Blackgold Group would not have recourse against any company in the Group (save for the PRC Blackgold Group).

The PRC Counsel has also confirmed that to the best of their knowledge and pursuant to its legal searches, they have not encountered any information or documents that would make them believe or suspect that the Group (other than the PRC Blackgold Group) has provided any form of guarantee or security in respect of the bank loans granted to or guaranteed by the PRC Blackgold Group.

3 BASIS OF PREPARATION

3.1 Statement of compliance

The financial statements are prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)") including related interpretations promulgated by the Accounting Standards Council ("ASC").

This is the first set of the Group's financial statements in which SFRS(I) 16 *Leases* has been applied. An explanation of how the application of SFRS(I) 16 has affected the reported financial position and financial performance is provided in Note 3.5.

3.2 Basis of measurement

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

3.3 Functional and presentation currency

These financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information has been presented in Singapore dollars and rounded to the nearest thousand ($'000), unless otherwise stated.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

3 BASIS OF PREPARATION (Continued)

3.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

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

The critical accounting estimates and assumptions used in applying accounting policies and areas involving a high degree of judgement are described below.

(a) *Judgements made in applying accounting policies*

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Identification of functional currency

The functional currency of each entity in the Group is the currency of the primary economic environment in which it operates. Determination of the functional currency involves significant judgement and other companies may make different judgements based on similar facts. Management reconsiders the functional currency if there is a change in the underlying transactions, events and conditions which determines its primary economic environment.

The determination of functional currency affects the carrying amount of the non-current assets included in the statement of financial position and, as a consequence, the amortisation of those assets included in the statement of comprehensive income. It also impacts the exchange gains and losses included in the statement of comprehensive income.

(ii) Contingent liabilities

Recognition and measurement for contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts. Details of the Group's contingent liabilities are presented in Notes 2 and 34 to the financial statements.

(iii) Income tax

The Group is primarily exposed to income taxes in Singapore, Malaysia and People's Republic of China. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payable as at 30 April 2020 are $7.5 million (2019 - $8 million).

(iv) Determination of the lease term

The Group leases leasehold land, a warehouse complex, motor vehicles, trucks and prime movers and other equipment from third parties to operate its business. In determining the lease term of these leases, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or period after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercise) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

3 BASIS OF PREPARATION (Continued)

3.4 Use of estimates and judgements (Continued)

(a) *Judgements made in applying accounting policies* (Continued)

(iv) Determination of the lease term (Continued)

For leases of leasehold land and the warehouse complex, the following factors are normally the most relevant:

(a) If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate);

(b) If the leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not to terminate);

(c) Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

(v) Accounting for the sale and leaseback transaction

On 10 May 2019, the Group completed the sale and leaseback of No. 121 Banyan Drive Singapore 627570 (the "Property") to SGRE Banyan Pte. Ltd. ("SGRE") for a purchase consideration of $227.5 million (the "Transaction"). Pursuant to the sale of the Property, the Group commenced a 10-years lease with SGRE. As at 30 April 2019, the Property, including the other related assets, have been classified as an "Asset held-for-sale" with a carrying amount of $117.3 million.

Management has assessed the Transaction to be a sale and not a financing arrangement as SGRE has obtained control of the Property in accordance with SFRS(I) 15. Accordingly, management has recorded a gain on transfer of rights over the Property to SGRE of $41.3 million in the consolidated statement of comprehensive income. In addition, at the commencement of the lease, the Group also measured the right-of-use asset amounting to $66.7 million arising from the leaseback of the Property at the proportion of the previous carrying amount of the Property that relates to the right-of-use retained by the Group and a corresponding lease liability of $118.5 million in the consolidated statement of financial position on adoption of SFRS(I) 16.

(b) *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based on its assumptions and estimates on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Useful lives of property, plant and equipment and right-of-use assets (Notes 5 and 6)

The cost of property, plant and equipment and right-of-use assets of the Group are depreciated on a straight-line basis over their estimated useful lives. For property, plant and equipment and right-of-use assets, management estimates the useful lives to be ranging from 2 years to 60 years. The Group reviews annually the estimated useful lives of property, plant and equipment and right-of-use assets based on factors that include asset utilisation, internal technical evaluation, technological changes and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment and right-of-use assets would increase depreciation expense and decrease non-current assets.

(ii) Impairment of non-financial assets (Notes 5, 6, 9 and 10)

The Group and the Company also assessed whether there are any indicators of impairment for non-financial assets, comprising, property, plant and equipment, right-of-use assets and investments in subsidiaries and associates at the end of each reporting period. These non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

3 BASIS OF PREPARATION (Continued)

3.4 Use of estimates and judgements (Continued)

(b) *Key sources of estimation uncertainty* (Continued)

(ii) Impairment of non-financial assets (Notes 5, 6, 9 and 10) (Continued)

An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. When value in use calculation is undertaken, management estimates the expected future cash flows from the asset or cash-generating unit by applying a suitable discount rate to calculate the present value of those cash flows. When fair value less costs to sell is used, it is determined by making reference to the cash-generating units' realisable net assets value or quoted market prices. The carrying amounts of the Group's and Company's property, plant and equipment, right-of-use assets, and investments in subsidiaries and associates are disclosed in Notes 5, 6, 9 and 10 respectively.

(iii) Valuation of investment properties (Note 8)

Investment properties are stated at fair value based on the valuation performed by an independent professional valuer. In determining the fair value, the valuer used a valuation method which involves certain estimates. In relying on the valuation report, management has exercised its judgement and is satisfied that the valuation method is reflective of current market conditions and the estimations used are appropriate.

The carrying amount of the Group's investment properties is disclosed in Note 8 to the financial statements.

(iv) Estimation of the incremental borrowing rate ("IBR") (Note 6 and 20)

For the purpose of calculating the right-of-use asset and lease liability, management applies the interest rate implicit in the lease ("IRIIL") and, if the IRIIL is not readily determinable, management will use the IBR applicable to the lease asset. The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases where the Group is the lessee, the IRIIL is not readily determinable. Therefore, management estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments. The carrying amounts of the Group's right-of-use assets and lease liabilities are disclosed in Notes 6 and 20 respectively.

For the sale and leaseback transaction (see Note 6), a 1% increase/decrease in the discount rate from management's estimates will increase/decrease Group's profit before tax for the year by $1.5 million, respectively.

For other right-of-use assets and lease liabilities, a 1% increase/decrease in the estimated IBR from management's estimates will not have a material impact on the Group's profit before tax for the financial year.

(v) Deferred tax effects on adoption of SFRS(I) 16

In the jurisdictions that the Group operates in, tax deductions are available only for the lease payments as they are paid, and no tax deduction is allowed for the leased asset depreciation or finance cost. On 1 May 2019, these tax circumstances give rise to temporary differences on initial recognition of both the right-of-use asset and lease liability. Management has assessed the impact of deferred tax on the adoption of SFRS(I) 16 and concluded that it is not significant to the consolidated financial statements of the Company.

(vi) Provision of expected credit losses of trade and receivables

As at 30 April 2020, the Group's and the Company's net trade receivables as disclosed in Note 13 amounted to $27.4 million and $1.5 million (2019 - $$31.5 million and $1.4 million), respectively. Management uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency to write off. Roll rates are calculated separately for exposures in different segments based on the historical observed default rates. Management will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At each reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

3 BASIS OF PREPARATION (Continued)

3.4 Use of estimates and judgements (Continued)

(b) *Key sources of estimation uncertainty* (Continued)

(vi) Provision of expected credit losses of trade and receivables (Continued)

The Group's credit risk exposure on RCCPS in an associate, finance lease receivables, other receivables comprising loans to and non-trade amounts due from subsidiaries, associates, related and third parties is assessed based on qualitative and quantitative factors that are indicative of risk of default (including but not limited to external ratings, audited financial statements, management accounts, cashflow projections and available press information). Impairment on these balances has been measured on a 12-month expected credit loss basis.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of its trade and other receivables' actual default in the future. The information about the ECLs on the Group's and the Company's trade and other receivables is disclosed in Notes 13 and 36 respectively.

(v) Impact of COVID-19

On 30 January 2020, the World Health Organisation ("WHO") declared the outbreak of COVID-19 a Public Health Emergency of International Concern. The WHO subsequently recognised the spread of COVID-19 as a pandemic on 11 March 2020. Many countries responded with containment measures of varying degrees in the bid to curb the spread. This had led to reduced economic activities in countries in which the Group operates in, which in turn has an impact on the Group's operations. As the ongoing COVID-19 pandemic continues to evolve, there is significant uncertainty over the duration of the pandemic and its full range of possible effects on the Group's financial and liquidity positions.

The Group has considered and estimated the impact of the COVID-19 pandemic in the Group's financial position and performance by carrying out further impairment assessment on its property, plant and equipment, right-of-use assets, investment properties and trade and other receivables.

In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Group has, at the date of these financial statements, used internal and external sources, including economic forecasts and estimates from market sources. However, the impact assessment of the COVID-19 pandemic is a continuing process and the Group will continue to monitor any material changes to future economic conditions.

Details on the areas that involve critical judgement and significant estimation uncertainties and disclosures on assumptions and sensitivity disclosures are also highlighted in the notes indicated above.

The COVID-19 pandemic has significantly impacted global economic activities, and this has in turn disrupted supply chains and ultimately affected almost all business both locally and internationally. Accordingly, liquidity requirements and cash flow positions are subject to fluctuations and market exposures. As the Group's earnings and operating cashflows are expected to be affected by the challenging operating environment due to the COVID-19 pandemic, the Group is currently focusing on capital and cashflow management, including cost-cutting measures and actively seeking to enhance their financing facilities. These are expected to equip the Group with sufficient cash flows and financial resources to meet its obligations as and when they fall due. Details of the Group's liquidity risk management and available facilities are disclosed under the Liquidity risk section in Note 36.

3.5 Adoption of new and amended standards and interpretations

On 1 May 2019, the Group and the Company adopted all the new and revised SFRS(I), SFRS(I) interpretations ("SFRS(I) INT") and amendments to SFRS(I), effective for the current financial year that are relevant to them. The adoption of these new and revised SFRS(I) pronouncements did not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods, except as discussed below:

Reference	Description	Effective date (Annual periods beginning on or after)
SFRS(I) 16	*Leases*	1 May 2019
SFRS(I) INT 23	*Uncertainty over Income Tax Treatments*	1 May 2019

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

3 BASIS OF PREPARATION (Continued)

3.5 Adoption of new and amended standards and interpretations (Continued)

(i) Adoption of SFRS(I) 16 *Leases*

SFRS(I) 16 *Leases* supersedes SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions involving the Legal Form of a Lease*, and pronounces new or amended requirements with respect to lease accounting. For lessee accounting, SFRS(I) 16 introduces significant changes by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low-value assets when such recognition exemptions are adopted. For lessor accounting, the requirements have remained largely unchanged. The impact of the adoption of SFRS(I) 16 on the Group's financial statements are discussed below.

The date of initial application of SFRS(I) 16 for the Group is 1 May 2019. The Group has elected the transition to SFRS(I) 16 using the modified retrospective approach which requires the Group to recognise the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings at the date of initial application without restatement of comparatives under SFRS(I) 1-17.

(a) Definition of a lease

The new definition of a lease under SFRS(I) 16 mainly relates to the concept of 'control' that determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration, which is in contrast to the concept of 'risks and rewards' under SFRS(I) 1-17.

The Group has elected to apply the practical expedient available on transition to SFRS(I) 16 not to reassess whether a contract is, or contains, a lease. Accordingly, the superseded definition of a lease under SFRS(I) 1-17 continues to be applied to those leases entered into, or modified, before 1 May 2019, and the Group applies the new definition of a lease and related guidance set out in SFRS(I) 16 only to those lease contracts entered into, or modified, on or after 1 May 2019. After the transition to SFRS(I) 16, the Group shall reassess whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

The new requirements for identifying a lease under SFRS(I) 16 do not change significantly the scope of contracts that will meet the definition of a lease for the Group.

(b) Lessee accounting

(i) *Former operating leases*

Before the adoption of SFRS(I) 16, the Group's non-cancellable operating lease payments in future reporting periods for leasehold land and certain property, plant and equipment were not recognised as liabilities in the statement of financial position but were disclosed as commitments in the notes to the financial statements, and these lease payments were reported as rental expenses in profit or loss over the lease term on a straight-line basis and presented under operating activities in the statement of cash flows. Under SFRS(I) 16, the Group recognises right-of-use assets and lease liabilities in the statement of financial position for these outstanding lease payments, reports depreciation of right-of-use assets and interest expense on lease liabilities in profit or loss, and presents these lease payments as principal repayment and interest paid separately under financing activities in the statement of cash flows.

Under SFRS(I) 16, lease incentives are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under SFRS(I) 1-17, they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expenses on a straight-line basis.

The Group has elected, as a practical expedient of SFRS(I) 16, not to separate non-lease components from lease components for all classes of underlying assets and instead account for each lease component and any associated non-lease components as a single lease component, except if the non-lease component is an embedded derivative according to SFRS(I) 9.

For short-term leases and leases of low value assets, the Group has elected for exemption under SFRS(I) 16 from recognising their right-of-use assets and lease liabilities, and to report their lease expense in the statement of comprehensive income on a straight-line basis.

NOTES TO THE **FINANCIAL STATEMENTS**
For the financial year ended 30 April 2020

3 BASIS OF PREPARATION (Continued)

3.5 Adoption of new and amended standards and interpretations (Continued)

(i) Adoption of SFRS(I) 16 *Leases* (Continued)

(b) Lessee accounting (Continued)

(i) *Former operating leases* (Continued)

On 1 May 2019, the Group has applied the following SFRS(I) 16 transition provisions under the modified retrospective approach for each lease, formerly classified as operating lease under SFRS(I) 1-17:

- recognises a lease liability at the present value of the remaining lease payments using the lessee's incremental borrowing rate for the underlying lease asset;
- recognises a right-of-use asset, on a lease-by-lease basis for leasehold land, warehouse complex, motor vehicles, trucks and prime movers and certain office equipment and machinery, at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application;
- applies SFRS(I) 1-36 *Impairment of Assets* to perform an impairment review of the right-of-use assets; and
- adjusts any difference between the carrying amounts of the right-of-use assets and lease liabilities to the opening balance of the retained earnings.

The Group has adopted the following SFRS(I) 16 practical expedients when applying the modified retrospective transition approach to leases formerly classified as operating lease under SFRS(I) 1-17:

- applies a single discount rate to portfolio of leases with reasonably similar characteristics;
- adjusts the right-of-use assets at the date of initial application by the amount of provision of onerous leases recognised under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets* in the statement of financial position immediately before the date of initial application, as an alternative to perform an impairment review under SFRS(I) 1-36;
- elects not to recognise the right-of-use asset and lease liability for a lease with lease term ending within twelve months of the date of initial application;
- excludes initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- use hindsight for determining the lease term when the contract contains options extend or terminate the lease.

(ii) *Former finance leases*

On 1 May 2019, with regards to the Group's leases of motor vehicles, trucks and prime movers that were formerly classified as finance leases under SFRS(I) 1-17, the carrying amounts of the leased assets and obligations under finance lease immediately before the date of initial application become respectively the opening balance of the carrying amounts of the right-of-use assets and lease liabilities in accordance with SFRS(I) 16.

(c) Lessor accounting

The Group leases out its investment properties and property, plant and equipment. The Group has classified these leases as operating leases. The Group is not required to make any adjustments on transition to SFRS(I) 16 for leases in which it acts as a lessor, except for a sub-lease. The Group does not have any sub-lease arrangements, as lessor.

(d) Deferred tax effects on adoption of SFRS(I) 16

In certain jurisdictions that the Group operates in, tax deductions are available only for the lease payments as they are paid, and no tax deduction is allowed for the leased asset depreciation or finance cost. On 1 May 2019, these tax circumstances give rise to temporary differences on initial recognition of both the right-of-use assets and lease liabilities. However, the deferred tax effects for these temporary differences, either initially or over the lease term, are not recognised due to application of the initial recognition exemption in SFRS(I) 1-12 *Income Taxes*, that explicitly excludes recognising the deferred tax effects arising from initial recognition of an asset or liability in a transaction which, at the time of the transaction, affects neither accounting profit nor taxable profit.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

3 BASIS OF PREPARATION (Continued)

3.5 Adoption of new and amended standards and interpretations (Continued)

(i) Adoption of SFRS(I) 16 *Leases* (Continued)

(d) Deferred tax effects on adoption of SFRS(I) 16 (Continued)

In July 2019, the International Accounting Standards Board ("IASB") decided to propose amendments to International Accounting Standard ("IAS") 12 *Income Taxes* which would narrow the scope of the initial recognition exemption in IAS 12 such that it would no longer apply when an entity recognises equal amount of deferred tax asset and deferred tax liability arising from the initial recognition of a right-of-use asset and a lease liability under IFRS 16 *Leases*. In November 2019, the public comment window had closed for the Exposure Draft on Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Proposed amendments to IAS 12) issued by IASB. If implemented, an entity shall apply these amendments retrospectively.

At the date of these financial statements, IASB has not issued these amendments to IAS 12 or any related IFRS pronouncements. Accordingly, no adjustment has been made by the Group in these financial statements in respect of this matter.

(e) Financial impact of initial application of SFRS(I) 16

The Group's incremental borrowing rate applied on each lease to measure the Group's lease liabilities recognised in the consolidated statement of financial position on 1 May 2019 ranged from 2.77% to 4.93% respectively.

A reconciliation of the differences between the Group's operating lease commitments previously disclosed in the financial statements as at 30 April 2019 and the Group's lease liabilities recognised in the consolidated statement of financial position on 1 May 2019 is as follows:

	$'000
Operating lease commitments as of 30 April 2019	126,355
Change of basis for estimation of operating lease commitments as disclosed in FY2019	(45,997)
Operating lease commitments as at 30 April 2019, as restated	80,358
Add/(less):	
Lease commitments no longer obligated on completion of the sale and leaseback transaction	(44,293)
Exempted from recognition:	
– Leases of low-value assets	(75)
– Leases with lease term ending within 12 months from the date of initial application	(5,612)
Discounting effect using weighted average incremental borrowing rate	(9,456)
Obligations under finance leases at 30 April 2019 reclassified to lease liabilities	3,058
Lease liabilities recognised on 1 May 2019	**23,980**

The effects of adoption of SFRS(I) 16 on the Group's financial statements as at 1 May 2019 are as follows:

	Increase/ (Decrease) $'000
Assets	
Property, plant and equipment (Note 5)	(4,436)
Right-of-use assets (Note 6)	25,358
	20,922
Liabilities	
Loans and borrowings (Note 19)	(3,058)
Lease liabilities (Note 20)	23,980
	20,922

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

3 BASIS OF PREPARATION (Continued)

3.5 Adoption of new and amended standards and interpretations (Continued)

(ii) SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*

The Group has adopted SFRS(I) INT 23 for the first time in the current year. SFRS(I) INT 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Group to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings, as follows:
  - If yes, the Group should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings; or
  - If no, the Group should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method

There is no material impact to the Group's and the Company's financial statements.

3.6 Standards issued but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not adopted the new and revised SFRS(I), SFRS(I) INT and amendments to SFRS(I) that have been issued but not yet effective. Management anticipates that the adoption of these new and revised SFRS(I) pronouncements in future periods will not have a material impact on the Group's and the Company's financial statements in the period of their initial applications, as discuss below.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	*Definition of Material*	1 May 2020

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: *Definition of Material*

The amendments are intended to make the definition of 'material' in SFRS(I) 1-1 easier to understand and are not intended to alter the underlying concept of materiality in SFRS(I). The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of 'material' in SFRS(I) 1-8 has been replaced by a reference to the definition of 'material' in SFRS(I) 1-1. In addition, the other SFRS(I) and the Conceptual Framework, which contain a definition of 'material' or refer to the term 'material', have been updated to ensure consistency.

The amendments to SFRS(I) 1-1 and SFRS(I) 1-8 are required to be applied for annual periods beginning on or after 1 May 2020. The amendments must be applied prospectively, and earlier application is permitted. No material impact is expected on the Group's and the Company's financial statements on initial application.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with SFRS(I) 3 *Business Combinations* at the date of acquisition, which is the date on which control is transferred to the Group.

Acquisitions from 1 May 2017

For acquisitions from 1 May 2017, the Group measures goodwill at the date of acquisition as:

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

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in the statement of comprehensive income.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of comprehensive income.

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 the statement of comprehensive income.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

NCIs 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 NCI's 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 NCIs are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

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

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 capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in the statement of comprehensive income. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.1 Basis of consolidation (Continued)

Business combinations (Continued)

Acquisitions before 1 May 2017

As part of transition to SFRS(I), the Group elected not to restate those business combinations that occurred before the date of transition to SFRS(I), i.e. 1 May 2017. Goodwill arising from acquisitions before 1 May 2017 has been carried forward from the previous FRS framework as at the date of transition.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to transactions and events in similar circumstances.

All intra-group balances, income and expenses, and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Losses and other comprehensive income applicable to the non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Subsidiary

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if, and only if, the Group has all of the following:

- power over the investee;
- exposure, or rights to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Transaction with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.1 Basis of consolidation (Continued)

Changes in ownership interests in subsidiaries without loss of control

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

Changes in ownership interests in subsidiaries resulting in loss of control

When the Group loses control over a subsidiary, a gain or loss is recognised in the statement of comprehensive income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under SFRS(I) 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.2 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives 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

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of the standard of performance of the asset before the expenditure was made will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the date of acquisition and to the date before disposal, respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the assets and is recognised on the statement of comprehensive income.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Leases (policy applicable on or after 1 May 2019)

(i) The Group as a lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(a) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantee;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in the statement of comprehensive income in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the consolidated statement of financial position. The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to the statement of comprehensive income if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Leases (policy applicable on or after 1 May 2019) (Continued)

(i) The Group as a lessee (Continued)

(b) Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Leasehold land and building	: 2 years to 38 years
Warehouse complex	: Over the lease period of 10 years
Motor vehicles, trucks & prime movers	: 2 years to 5 years
Office equipment & machinery	: 2 years to 5 years
Furniture, fixtures & fittings	: 3 years to 5 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the consolidated statement of financial position. The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

(ii) The Group as a lessor

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SFRS(I) 16, except for the classification of the sublease entered into that resulted on a finance lease classification.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract. The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease. The Group regularly reviews the estimated unguaranteed residual values used in calculating the gross investment in the lease.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Leases (policy applicable before 1 May 2019)

(i) The Group as a lessee

(a) Operating lease

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the statement of comprehensive income on a straight-line basis over the period of the lease. Contingent rents are recognised as an expense in the statement of comprehensive income when incurred.

(b) Finance lease

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases. The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the statement of financial position as property, plant and equipment and loans and borrowings respectively, at the inception of the lease, based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the interest expense and he reduction of the outstanding lease liability. The interest expense is recognised within "finance costs" in the statement of comprehensive income on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(ii) The Group as a lessor

(a) Operating lease

Lease where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the statement of comprehensive income on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in the statement of comprehensive income over the lease term on the same basis as the lease income. Contingent rents are recognised as income in the statement of comprehensive income when earned.

4.5 Intangible assets

Goodwill

Goodwill arises upon the acquisition of a subsidiary and is included in intangible assets.

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 any impairment losses on such investments are not allocated to any assets, 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 the statement of comprehensive income.

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.6 Investment properties (Continued)

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 the statement of comprehensive income.

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 Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

4.8 Investment in associates

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 interests 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.

In the Company's separate financial statements, investments in associates are stated at cost less allowance for any impairment losses on an individual associate basis.

4.9 Impairment of non-financial assets

As at each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.10 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 statement of comprehensive income using the same measure of progress as the related revenue.

The Group recognises an impairment loss in the statement of comprehensive income 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.

4.11 Financial instruments

Financial instruments carried on the statement of financial position include financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. These are recognised on the Group's and the Company's statement of financial position when the Group and the Company become a party to the contractual provisions of the instrument. Disclosures of the Group's and the Company's financial risk management objectives and policies are provided in Note 36.

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

Financial assets

Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.11 Financial instruments (Continued)

Financial assets (Continued)

Recognition and initial measurement (Continued)

(i) Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

(iii) Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset, on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.11 Financial instruments (Continued)

Financial assets (Continued)

Assessment whether contractual cash flows are solely payments of principal and interest (Continued)

In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

(i) Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

(ii) Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(iii) Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to the statement of comprehensive income.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

4.12 Inventories

Inventories, comprising mainly consumables used in generating warehousing revenue, are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out basis and includes freight and handling charges.

Provision is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

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

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.13 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

4.14 Asset held-for-sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered primarily through sale or distribution rather than through continuing use, are classified as held-for-sale or distribution. Immediately before classification as held-for-sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, classified as held-for-sale (held for distribution) are generally measured at the lower of their carrying amount and fair value less costs to sell (fair value less costs to distribute).

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held-for-sale or distribution and subsequent gains or losses on remeasurement are recognised in the statement of comprehensive income. Gains are not recognised in excess of any cumulative impairment loss.

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

4.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

4.16 Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profit, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because of the articles of constitution of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

4.17 Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of comprehensive income. Directly attributable transaction costs are recognised in the statement of comprehensive income as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of comprehensive income. These financial liabilities comprised loans and borrowings, and trade and other payables.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the statement of comprehensive income.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.18 Provisions

Provisions are recognised when the Group and the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

4.19 Borrowing costs

Borrowing costs are recognised in statement of comprehensive income as incurred except to the extent that they are capitalised. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Foreign exchange differences arising from foreign currency borrowings are capitalised to the extent that they are regarded as an adjustment to interest costs. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

4.20 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.

4.21 Income taxes

Income tax expense represents the sum of the income tax currently payable and deferred income tax.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

Deferred income tax is provided in full, using the liability method, on temporary differences at the statement of financial position between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.
- In respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and
- In respect of deductible temporary differences and carry-forward of unutilised tax losses, if it is not probable that taxable profits will be available against which those deductible temporary differences and carry-forward of unutilised tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.21 Income taxes (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefit embodied in the investment property over time, rather than through sale. The carrying amounts of the Group's investment properties are presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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

4.22 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.23 Employee benefits

Short-term employee benefits

Short-term benefit obligations, including accumulated compensated absences, are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonuses if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided.

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.

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 the statement of comprehensive income in the periods during which related services are rendered by employees.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain key executive officers are considered key management personnel.

4.24 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.24 Revenue recognition (Continued)

Freight and logistics segment (Continued)

Warehousing services

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

Transportation services

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

Inventory management services

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

Record management services

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

Financial services segment

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

Management services

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

Base fees

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

Performance fees

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

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 the statement of comprehensive income 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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.24 Revenue recognition (Continued)

Financial services segment (Continued)

Interest income

Interest income is recognised as it accrues in the statement of comprehensive income, 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.

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.

4.25 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

4.26 Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore dollars, which is also the functional currency of the Company.

4.27 Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from monetary items that are considered to form part of a net investment in foreign operations, are recognised in other comprehensive income and accumulated in the other reserves.

Foreign currency gains and losses are reported as either other income or other operating expense depending on whether foreign currency movements are in a gain or loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the date of the transaction.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.27 Conversion of foreign currencies (Continued)

Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting date;

(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at the average exchange rates for the year; and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in translation reserves.

4.28 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, which comprise convertible bonds and warrants.

4.29 Operating segments

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. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Executive Officer has been identified as the Chief Operating Decision Maker who makes strategic resources allocation decisions and assesses segment performance.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

5 PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold properties $'000	Motor vehicles, trucks and prime movers $'000	Office equipment and machinery $'000	Furniture, fixtures and fittings $'000	Total $'000
Cost					
At 1 May 2018	259,713	19,286	46,491	5,092	330,582
Additions	8	1,970	846	238	3,062
Reclassification to assets held-for-sale (Note 16)	(129,473)	–	(4,045)	(83)	(133,601)
Disposals/write-offs	(7,042)	(2,030)	(131)	(273)	(9,476)
Disposal of a subsidiary	–	(139)	(546)	–	(685)
Translation differences	(203)	(328)	688	9	166
At 30 April 2019, as reported	123,003	18,759	43,303	4,983	190,048
Prior year adjustment (Note 40(ii))	2,495	–	479	–	2,974
At 30 April 2019, as restated	125,498	18,759	43,782	4,983	193,022
Adoption of SFRS(I)16 – reclassification to "right-of-use assets" (Note 6)	–	(5,403)	–	(24)	(5,427)
At 1 May 2019, as adjusted	125,498	13,356	43,782	4,959	187,595
Additions	**10**	**593**	**591**	**187**	**1,381**
Disposals/write-offs	**(7,580)**	**(1,795)**	**(1,589)**	**(502)**	**(11,466)**
Translation differences	**68**	**(21)**	**953**	**10**	**1,010**
At 30 April 2020	**117,996**	**12,133**	**43,737**	**4,654**	**178,520**
Accumulated depreciation and impairment losses					
At 1 May 2018	30,889	9,485	24,308	4,139	68,821
Depreciation for the year	5,506	2,030	3,041	372	10,949
Reclassification to assets held-for-sale (Note 16)	(11,687)	–	(2,106)	(83)	(13,876)
Disposals/write-offs	(1,308)	(1,724)	(82)	(273)	(3,387)
Disposal of subsidiary	–	(64)	(154)	–	(218)
Translation differences	(32)	(167)	219	9	29
At 30 April 2019, as reported	23,368	9,560	25,226	4,164	62,318
Prior year adjustment (Note 40(ii))	250	–	327	–	577
At 30 April 2019, as restated	23,618	9,560	25,553	4,164	62,895
Adoption of SFRS(I)16 – reclassification to "right-of-use assets" (Note 6)	–	(980)	–	(11)	(991)
At 1 May 2019, as adjusted	23,618	8,580	25,553	4,153	61,904
Depreciation for the year	**4,005**	**1,288**	**2,879**	**323**	**8,495**
Reclassification	**–**	**–**	**(462)**	**462**	**–**
Disposals/write-offs	**(7,580)**	**(1,780)**	**(1,414)**	**(456)**	**(11,230)**
Translation differences	**16**	**(14)**	**442**	**9**	**453**
At 30 April 2020	**20,059**	**8,074**	**26,998**	**4,491**	**59,622**
Net carrying value					
At 30 April 2020	**97,937**	**4,059**	**16,739**	**163**	**118,898**
At 30 April 2019, as restated	101,880	9,199	18,229	819	130,127
At 1 May 2018	228,824	9,801	22,183	953	261,761

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

5 PROPERTY, PLANT AND EQUIPMENT (Continued)

The Company	Motor vehicles $'000	Office equipment $'000	Furniture, fixtures and fittings $'000	Total $'000
Cost				
At 1 May 2018	767	226	44	1,037
Additions	237	5	–	242
Disposals/write-offs	(574)	–	–	(574)
At 30 April 2019	430	231	44	705
Additions	**–**	**6**	**–**	**6**
At 30 April 2020	**430**	**237**	**44**	**711**
Accumulated depreciation				
At 1 May 2018	496	207	39	742
Depreciation for the year	62	8	1	71
Disposals/write-offs	(391)	–	–	(391)
At 30 April 2019	167	215	40	422
Depreciation for the year	**53**	**7**	**1**	**61**
At 30 April 2020	**220**	**222**	**41**	**483**
Net carrying value				
At 30 April 2020	**210**	**15**	**3**	**228**
At 30 April 2019	263	16	4	283

The Group's buildings on leasehold land include provision for restoration costs of $1.3 million (2019 - $1.3 million).

Assets under finance leases

The Group leases motor vehicles, trucks and prime movers and other equipment under a number of finance lease agreements. As at 30 April 2019, the net carrying amount of leased property, plant and equipment amounting to $4.4 million have been reclassified to right-of-use assets as at 1 May 2019 in accordance with SFRS(I) 16.

In the previous financial year, the Group acquired property, plant and equipment with an aggregate cost of $3.1 million, of which $1.2 million was acquired under finance leases.

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:

The Group	**30 April 2020 $'000**	30 April 2019 $'000
Net carrying value		
Leasehold properties	**94,876**	98,754
Machinery	**17,255**	18,906

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

6 RIGHT-OF-USE ASSETS

The Group	Leasehold land and buildings $'000	Warehouse complex $'000 (Note A)	Motor vehicles, trucks and prime movers $'000	Others^ $'000	Total $'000
Cost					
Adoption of SFRS(I) 16:					
– Initial application	17,933	–	1,364	1,625	20,922
– Reclassification from property, plant and equipment (Note 5)	–	–	5,403	24	5,427
At 1 May 2019	17,933	–	6,767	1,649	26,349
Additions	**6,743**	**66,714**	**1,126**	**883**	**75,466**
Disposals	**–**	**–**	**–**	**(77)**	**(77)**
Net exchange differences	**–**	**–**	**(16)**	**–**	**(16)**
At 30 April 2020	**24,676**	**66,714**	**7,877**	**2,455**	**101,722**
Accumulated depreciation					
Adoption of SFRS(I) 16:					
– Reclassification from property, plant and equipment (Note 5)	–	–	980	11	991
At 1 May 2019	–	–	980	11	991
Depreciation for the year	**4,088**	**6,510**	**1,117**	**873**	**12,588**
Disposals	**–**	**–**	**–**	**(34)**	**(34)**
Net exchange differences	**–**	**–**	**(4)**	**–**	**(4)**
At 30 April 2020	**4,088**	**6,510**	**2,093**	**850**	**13,541**
Carrying amount					
At 30 April 2020	**20,588**	**60,204**	**5,784**	**1,605**	**88,181**
At 1 May 2019	17,933	–	5,787	1,638	25,358

^ Others comprise machinery, office equipment, fixtures and fittings.

At transition in applying SFRS(I) 16, at lease commencement, a lessee recognises a right-of-use asset and lease liability for all leases except short-term leases and leases of low value assets that it accounts for by applying paragraph 6 of SFRS(I) 16.

The Group	**2020 $'000**
Interest expense on lease liabilities (Note 25)	**6,397**
Rental of motor vehicles, trucks and prime movers and office equipment on short term leases	**5,152**
Rental of offices, warehouses and leasehold buildings on short-term leases	**7,485**
Operating lease expenses (Note 26)	**12,637**

The Group leases out its leasehold land and buildings. All leases are classified as operating leases from a lessor perspective because they do not substantially transfer all of the risks and rewards incidental to the ownership of the assets.

Rental income from operating leases recognised by the Group in FY2020 amounted to $5.3 million (2019 - $2.7 million). (See Note 23)

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

6 RIGHT-OF-USE ASSETS (Continued)

Note A: Sale and leaseback of a warehouse complex

On 10 May 2019, the Group completed the sale and leaseback of No. 121 Banyan Drive Singapore 627570 (the "Property") to SGRE Banyan Pte. Ltd. ("SGRE") for a purchase consideration of $227.5 million (the "Transaction"). Pursuant to the sale of the Property, the Group commenced a 10-years lease with SGRE. As at 30 April 2019, the Group had reclassified the Property including the related provision, to "Asset held-for-sale" with a carrying amount of $117.3 million.

Both the Group and SGRE are required to apply SFRS(I) 15 *Revenue from Contracts with Customers* to determine whether to account for a sale and leaseback transaction as a sale and purchase of an asset. Management has assessed that the transfer of the Property to SGRE is a sale and purchase of an asset in accordance with SFRS(I) 15 since SGRE has obtained control over the Property. Accordingly, management derecognised the underlying Property and applied lessee accounting and recorded a right-of-use asset with a carrying amount of $66.7 million at the retained portion of the previously carried amount as disclosed in Note 16 with a corresponding lease liability of $118.5 million.

A gain of $41.3 million relating to the rights transferred to SGRE was recognised in 'other income' in the consolidation statement of comprehensive income. The interest rate implicit in the lease is 4.93% per annum.

In addition, the Group has also placed a security deposit amounting to $8.8 million with an appointed institution as stipulated in the lease agreement. The deposit earns interest and is included in cash and cash equivalents as disclosed in Note 15.

The sale and leaseback arrangement will enable the Group to realise the fair value of its investment in the Property, while enabling the Group, through the leaseback arrangement, to enjoy the long-term use of the Property for its existing operations.

The Group is required to pay monthly rent ranging from $1.3 million to $1.5 million per month over a period of 10 years from May 2019. The Group is also entitled to six months rent-free periods each in the fifth and the tenth year of the rental period.

There were no other payments that were not included in the measurement of lease liabilities.

The cash flow effects of the sale and leaseback transaction in the current financial year is as follows:

	$'000
Net proceeds received after deducting the upfront capital expenditure, included in investing activities	210,368
Security deposit pledged with an institution, included in financing activities	(8,783)
Repayment of loan secured over the Property, included in financing activities	(93,718)
Net proceeds used for working capital purposes and repayment of other loans	107,867

Since the inception of the lease, the Group has made lease payments totalling $14.9 million to SGRE for the financial year ended 30 April 2020.

There are no payments not included in the measurement of lease liabilities.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

7 INTANGIBLE ASSETS

The Group	Goodwill on consolidation $'000
Cost	
At 1 May 2018 and 30 April 2019	1,599
Disposal	**(1,599)**
At 30 April 2020	**–**
Accumulated impairment losses	
At 1 May 2018 and 30 April 2019	1,127
Disposal	**(1,127)**
At 30 April 2020	**–**
Net carrying amount	
At 30 April 2020	**–**
At 30 April 2019	472

During the current financial year, the residual goodwill was reversed and accounted for as part of the gain on disposal of a subsidiary in the consolidated statement of comprehensive income, following the disposal of the subsidiary (See Note 38(b)).

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 was allocated to the financial services segment (CGU). In the previous financial year, the recoverable amount of the financial services segment, determined based on its value in use discounted at a pre-tax discount rate of 4.68% in FY2019, exceeded the carrying amount of the goodwill.

8 INVESTMENT PROPERTIES

The Group	**30 April 2020 $'000**	30 April 2019 $'000
At 1 May	**147,539**	127,147
Additions	**4,395**	15,676
Changes in fair value	**(7,942)**	8,300
Translation differences	**(891)**	(3,584)
At 30 April	**143,101**	147,539

Details of the Group's investment properties as at 30 April 2020 are as follows:

Property name/Location	Description/ existing name	Approximate land area	Tenure	Group's effective interest
Palas Condominium, Kuala Lumpur, Malaysia	Condominium	6,382.8 m^2	Freehold	50%
Changshu Fervent Industrial Park – Phase 1, PRC	6 warehouses and 1 office block	101,150 m^2	50 years lease commencing from March 2014	48%
Changshu Fervent Industrial Park – Phase 2, PRC	2 built-to-suit warehouses	76,553 m^2	50 years lease commencing from March 2017	48%

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

8 INVESTMENT PROPERTIES (Continued)

Investment properties comprise residential and industrial properties that are leased to external customers and/or held for capital appreciation. As at 30 April 2020, rental income from the Group's industrial properties which was leased under operating leases amounted to $5.3 million (2019 - $2.7 million) (See Note 23). There is no rental income from the residential property (2019 - Nil).

Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the financial year, amounted to $1.8 million (2019 - $1.3 million).

Direct operating expenses (including repairs and maintenance) arising from investment properties that did not generate rental income during the financial year, amounted to $0.1 million (2019 - $0.1 million).

As at 30 April 2020 and 30 April 2019, 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 $0.1 million (2019 - $0.3 million) was capitalised in cost of investment properties at the cost of borrowing of 6.21% (2019 - 6.37%) per annum.

Security

At 30 April 2020, an investment property of the Group with a carrying amount of $91.9 million (2019 - $34 million) was 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 37).

9 SUBSIDIARIES

The Company	**30 April 2020 $'000**	30 April 2019 $'000
Equity investments, at cost	**35,651**	22,298
Accumulated impairment losses:		
– At beginning of the year	**(4,546)**	(4,546)
– Impairment loss recognised during the year	**(540)**	–
– Disposal of a subsidiary	**147**	–
At end of year	**(4,939)**	(4,546)
	30,712	17,752

The change in the investment in subsidiaries in the current financial year is mainly attributable to the acquisition of the remaining 49% equity interests in LTH Logistics (Singapore) Pte Ltd for a purchase consideration of $13.5 million (See Note (A)).

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. As the recoverable amounts of the investment in certain subsidiaries were lower than the carrying amount, management recognised an impairment loss of $0.5 million in the current financial year.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

9 SUBSIDIARIES (Continued)

Details of material subsidiaries of the Group are as follows:

Name of subsidiaries	Country of incorporation/ principal place of business	Percentage of equity held by the Group **30 April 2020** %	30 April 2019 %
Directly owned subsidiaries of the Company			
Crystal Freight Services Distripark Pte Ltd[(1)]	Singapore	**100**	100
Crystal Freight Services Pte Ltd[(1)]	Singapore	**100**	100
Freight Links Express Pte Ltd[(1)]	Singapore	**100**	100
Freight Links Express Logisticentre Pte Ltd[(1)]	Singapore	**100**	100
Freight Links Express (Thailand) Co., Ltd[(3)(7)]	Thailand	**49**	49
Freight Links Logistics Pte. Ltd.[(1)]	Singapore	**100**	100
Lee Thong Hung Trading and Transport Sdn. Bhd.[(2)]	Malaysia	**100**	50.8
LTH Logistics (Singapore) Pte Ltd ("LTHS")[(1)] (See Note A)	Singapore	**100**	51
Sabana Investment Partners Pte.Ltd.[(1)] (See Note 38(b))	Singapore	**–**	51
Singapore Enterprises Private Limited[(1)]	Singapore	**100**	100
Subsidiaries held by the Company's subsidiaries			
Fervent Industrial Development (Suzhou) Co., Ltd[(6)(8)]	People's Republic China	**48**	48
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.[(6)]	People's Republic China	**65.5**	65.5
Glory Capital Pte Ltd[(1)]	Singapore	**65**	65
New Vibrant (Jiangsu) Supply Chain Management Co., Ltd[(4)(5)]	People's Republic China	**100**	100
Sabana Real Estate Investment Management Pte. Ltd. (See Note 38(b))	Singapore	**–**	51
Sabana Property Management Pte. Ltd. (See Note 38(b))	Singapore	**–**	51
Saujana Tiasa Sdn Bhd[(5)(7)]	Malaysia	**50**	50
Shentoncil Pte. Ltd. ("Shentoncil")[(1)] (See Note B)	Singapore	**100**	51
Sinolink Financial Leasing Co., Ltd[(6)(8)]	People's Republic China	**51**	51
Vibrant DB2 Pte. Ltd.[(1)]	Singapore	**51**	51
Vibrant Properties Pte. Ltd.[(1)]	Singapore	**60**	60

(1) Audited by Foo Kon Tan LLP
(2) Audited by SE Lai CK
(3) Audited by a member firm of HLB International
(4) Not required to be audited under the laws of the country in which it is incorporated
(5) Audited by Foo Kon Tan LLP for the purpose of consolidation
(6) Audited by RSM China, Shanghai
(7) Although the Group owns less than or only half of the voting rights of Freight Links Express (Thailand) Co., Ltd; and Saujana Tiasa Sdn Bhd, the Group is exposed to and has the rights to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities through its control of the composition of the board of directors by virtue of the shareholders' agreements. Consequently, the Group consolidates its investments in these entities as subsidiaries of the Group.
(8) These entities are indirectly held and controlled by non-wholly owned subsidiaries.

One of the subsidiaries is considered to be significant as defined under the Singapore Exchange Limited Listing Rules as the Group's share of that subsidiary's net tangible assets represent 20% or more of the Group's consolidated net tangible assets and the Group's share of that subsidiary's pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

9 SUBSIDIARIES (Continued)

Note (A): Acquisition of non-controlling interests in LTHS

On 20 December 2019, the Company completed the acquisition of an additional 49% equity interest in LTHS, increasing its ownership from 51% to 100%. The carrying amount of LTHS's net assets in the Group's consolidated financial statements on the date of acquisition was $41.1 million.

	$'000
Carrying amount of non-controlling interests acquired	20,140
Consideration paid to non-controlling interests	(5,500)
Consideration payable to non-controlling interests	(8,000)
Increase in equity attributable to owners of the Company	6,640

On completion, a sum of $5.5 million in cash was paid to the non-controlling interests. The remaining deferred consideration amounting to $8 million will be repaid bi-annually from June 2020 to December 2022, of which $3 million was classified under "current" portion while the remaining $5 million was classified under the "non-current" portion of the deferred consideration included in Note 21(a).

Note (B): Acquisition of non-controlling interests in Shentoncil

On 12 December 2019, the Group completed the acquisition of an additional 49% equity interest in Shentoncil, increasing its ownership from 51% to 100%. The carrying amount of Shentoncil in the Group's consolidated financial statements on the date of acquisition was $36 million.

	$'000
Carrying amount of non-controlling interests acquired	17,634
Consideration paid to non-controlling interests	(6,720)
Consideration payable to non-controlling interests	(4,003)
Increase in equity attributable to owners of the Company	6,911

On completion, a sum of $6.7 million in cash has been paid to the non-controlling interests upon signing the sale and purchase agreement. The remaining deferred consideration amounting to $4 million will only be paid upon completion, either upon the sale of the property owned by Ececil Pte Ltd ("Ececil"), which is an associate company of Shentoncil or the sale of 100% of the issued share capital of Ececil, whichever is earlier.

Management has classified the deferred consideration as a current liability in Note 21(a) as the Group does not have an unconditional right to defer the settlement of the liability at least 12 months from the balance sheet date if the property or Ececil is sold during the year.

10 ASSOCIATES

	The Group		The Company	
	30 April 2020 $'000	30 April 2019 $'000	**30 April 2020 $'000**	30 April 2019 $'000
Redeemable cumulative convertible preference shares in an associate	**–**	9,774	**–**	9,774
Other receivables at amortised cost	**–**	9,774	**–**	9,774
Investment in associates (equity-accounted investees)	**64,409**	78,851	**9,413**	15,259
	64,409	88,625	**9,413**	25,033

Redeemable cumulative convertible preference shares (RCCPS) in an associate

(a) Details of the associate are as follows:

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

(1) Audited by Goh Ngiap Suan & Co

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

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

10 ASSOCIATES (Continued)

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

(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% (2019 - 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.

In the previous financial year, the Company entered into a deed of settlement due to the occurrence of the redemption event and GSD was obliged to redeem the RCCPS in full. GSD acknowledged, agreed and undertook that the redemption amount was due and payable for a principal sum of US$10 million in ten equal instalments over a period of ten years commencing from 30 April 2019. The RCCPS are secured over the shares of GSD.

During the current financial year, the Group received from GSD $1.6 million (equivalent to US$1.2 million) comprising the first instalment of US$1 million received on 30 June 2019 and partial repayment US$0.2 million of the second instalment. The Group recorded an impairment loss to the consolidated statement of comprehensive income of $8.5 million (2019 - $2.2 million) on the RCCPS measured at amortised cost after GSD defaulted on its scheduled repayment commitment. The statutory auditor of GSD had also issued a modified audit report on the appropriateness of the going concern assumption in its latest available audited financial statements. An alternative repayment plan has not been entered.

Investment in associates

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 2020, one of the associates suffered further operating losses during the current financial year and management recognised an impairment loss of $6.9 million (2019 - $0.4 million) on its investment in this associate in the consolidated statement of comprehensive income. 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 hierarchy based on the associate's stock exchange quoted bid price as at 30 April 2020 (2019 - 30 April 2019).

In 2020, another associate suffered further operating losses and management recognised an impairment loss of $5.2 million (2019 - $0.8 million) on its investment in this associate due to closure of coal mines in PRC, in the consolidated statement of comprehensive income. The Group estimated the recoverable amount of its associate based on the realisable net assets value of the associate which has been categorised as a Level 3 fair value hierarchy.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

10 ASSOCIATES (Continued)

Investment in associates (equity-accounted investees)

Summarised financial information of associates

The Group has five (2019 - five) 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:

Name	Country of incorporation/ principal place of business	Fair value of ownership Interest (if listed)		Ownership interest		Principal activities
		30 April 2020 $'000	30 April 2019 $'000	**30 April 2020 %**	30 April 2019 %	
China Southwest Energy Corporation Ltd (China SW)[(1)]	PRC/Hong Kong	**–**	–	**25.52**	25.52	Mining of coal and trading of coal
Freight Management Holdings Bhd (FMHB)[(2)]	Malaysia	**8,999#**	12,710#	**20.05**	20.05	Provision of integrated freight and logistics services
Figtree Holdings Limited (Figtree)[(3)]	Singapore	**4,370#**	11,273#	**22.22**	21.89	General contractors and providers of general building engineering services and property development
Ececil Pte Ltd (Ececil)[(4)]^	Singapore	**–**	–	**40.0**	20.4	Property development
Vibrant Pucheng Logistics (Chongqing) Co., Ltd (Vibrant Pucheng)[(5)]	PRC	**–**	–	**35.44***	35.38*	Provision of integrated logistics services

Fair value of quoted investments in associates is determined by reference to the stock exchange quoted bid price as at 30 April 2020 (2019 - 30 April 2019) (Level 1 in the fair value hierarchy).

* The Group's effective shareholding interest in Vibrant Pucheng comprises direct interest of 31% (2019 - 31%) and indirect interest through an associate of 4.44% (2019 - 4.38%).

^ The change in the Group's effective ownership in Ececil was due to the acquisition of additional 49% interest in Shentocil, as disclosed in Note 9(B). Shentocil owns 40% of the total issued and paid up capital of Ececil.

(1) Audited by a member firm of HLB International
(2) Audited by Crowe Malaysia PLT
(3) Audited by Ernst & Young LLP
(4) Audited by Foo Kon Tan LLP
(5) Audited by RSM Shanghai

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.

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 SFRS (I), 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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

10 ASSOCIATES (Continued)

Investment in associates (equity-accounted investees) (Continued)

Summarised financial information of associates (Continued)

Summarised financial information, adjusted for the Group's share of equity interest in respect of the associates is set out below:

	China SW $'000	FMHB $'000	Figtree $'000	Ececil $'000	Vibrant Pucheng $'000	Other immaterial associates $'000	Total $'000
30 April 2020							
Revenue	**16,360**	**186,951**	**11,419**	**–**	**3,612**		
Profit/(loss) from continuing operations	**(12,272)**	**3,641**	**(797)**	**(4,478)**	**(1,130)**		
Other comprehensive income	**–**	**(311)**	**900**	**–**	**–**		
Total comprehensive income/(loss)	**(12,272)**	**3,330**	**103**	**(4,478)**	**(1,130)**		
Attributable to non-controlling interests	**–**	**303**	**(850)**	**–**	**–**		
Attributable to investee's shareholders	**(12,272)**	**3,633**	**(747)**	**(4,478)**	**(1,130)**		
Non-current assets	**9,912**	**91,406**	**15,352**	**204,455**	**38,938**		
Current assets	**6,059**	**64,973**	**47,847**	**5,940**	**11,418**		
Non-current liabilities	**(3,687)**	**(28,481)**	**(336)**	**–**	**(6,000)**		
Current liabilities	**(11,963)**	**(29,854)**	**(13,810)**	**(126,265)**	**(35,255)**		
Net Assets	**321**	**98,044**	**49,053**	**84,130**	**9,101**		
Attributable to non-controlling interests	**–**	**(2,313)**	**109**	**–**	**–**		
Attributable to investee's shareholders	**321**	**95,731**	**49,162**	**84,130**	**9,101**		
Group's interest in net assets	**82**	**19,195**	**10,924**	**33,652**	**2,821**		
Other adjustments	**(82)**	**(2,188)**	**(6,554)**	**–**	**4,764**		
Carrying amounts of Investments	**–**	**17,007**	**4,370**	**33,652**	**7,585**		
Group's interest in net assets of investees at beginning of the year	**8,387**	**16,990**	**11,273**	**35,444**	**4,968**	**1,789**	**78,851**
Group's share of:							
– Profit/(loss) from continuing operations	**(3,132)**	**730**	**(177)**	**(1,792)**	**(350)**	**5**	**(4,716)**
– Other comprehensive income	**–**	**(1)**	**11**	**–**	**–**	**1**	**11**
Total comprehensive income	**(3,132)**	**729**	**(166)**	**(1,792)**	**(350)**	**6**	**(4,705)**
Additional investments during the year	**–**	**–**	**229**	**–**	**2,936**	**–**	**3,165**
Group's share of translation reserve	**(85)**	**(71)**	**201**	**–**	**31**	**1**	**77**
Impairment loss recognised	**(5,170)**	**–**	**(6,938)**	**–**	**–**	**–**	**(12,108)**
Dividend received	**–**	**(641)**	**(229)**	**–**	**–**	**(1)**	**(871)**
Carrying amount of interest in investee at end of the year	**–**	**17,007**	**4,370**	**33,652**	**7,585**	**1,795**	**64,409**

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

10 ASSOCIATES (Continued)

Investment in associates (equity-accounted investees) (Continued)

Summarised financial information of associates (Continued)

	China SW $'000	FMHB $'000	Figtree $'000	Ececil $'000	Vibrant Pucheng $'000	Immaterial associates $'000	Total $'000
30 April 2019							
Revenue	15,328	176,589	3,488	–	4,879		
Profit/(loss) from continuing operations	(6,636)	4,458	(5)	33,254	(4,117)		
Other comprehensive income	–	12,447	(1,902)	–	–		
Total comprehensive income/(loss)	(6,636)	16,905	(1,907)	33,254	(4,117)		
Attributable to non-controlling interests	–	(12,426)	2,008	–	–		
Attributable to investee's shareholders	(6,636)	4,479	101	33,254	(4,117)		
Non-current assets	9,960	87,786	12,985	203,000	38,171		
Current assets	19,576	63,419	70,474	2,133	2,968		
Non-current liabilities	(4,896)	(26,174)	(424)	–	–		
Current liabilities	(11,712)	(27,316)	(34,249)	(116,524)	(40,114)		
Net Assets	12,928	97,715	48,786	88,609	1,025		
Attributable to non-controlling interests	–	(2,007)	26	–	–		
Attributable to investee's shareholders	12,928	95,708	48,812	88,609	1,025		
Group's interest in net assets	3,299	19,190	10,685	35,444	318		
Other adjustments	5,088	(2,200)	588	–	4,650		
Carrying amounts of investments	8,387	16,990	11,273	35,444	4,968		
Group's interest in net assets of investees at beginning of the year	11,104	17,089	12,041	22,142	6,305	1,865	70,546
Group's share of:							
– Profit/(loss) from continuing operations	(1,695)	894	(1)	13,302	(1,276)	(109)	11,115
– Other comprehensive income	–	4	23	–	–	1	28
Total comprehensive income	(1,695)	898	22	13,302	(1,276)	(108)	11,143
Additional investment during the year	–	–	460	–	–	206	666
Group's share of translation reserve	(180)	(384)	(415)	–	(61)	(67)	(1,107)
Impairment loss recognised	(842)	–	(375)	–	–	–	(1,217)
Dividend received	–	(613)	(460)	–	–	(13)	(1,086)
Disposal	–	–	–	–	–	(94)	(94)
Carrying amount of interest in investees at end of the year	8,387	16,990	11,273	35,444	4,968	1,789	78,851

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

11 OTHER INVESTMENTS

	Note	The Group 30 April 2020 $'000	30 April 2019 $'000	The Company 30 April 2020 $'000	30 April 2019 $'000
Non-current investments					
Club membership and others		**99**	121	**–**	–
Current investments					
Quoted equity investments:					
– at FVTPL		**2,250**	19,825	**–**	5,451
– at FVOCI		**–**	11,205	**–**	–
		2,250	31,030		5,451
Unquoted equity investments at FVTPL		**28,303**	28,047	**28,303**	28,047
	(a)	**30,553**	59,077	**28,303**	33,498
Quoted debt investments designated at FVTPL	(b)	**11,606**	–	**–**	–
		42,159	59,077	**28,303**	33,498
		42,258	59,198	**28,303**	33,498

(a) As at 30 April 2019, equity securities of $56.5 million had been pledged as security to secure bank loans and other credit facilities extended to the Company as set out in Note 19.

(b) As at 30 April 2020, a wholly-owned subsidiary of the Company, purchased the Notes issued by the Company under the Series 003 S$66 million Notes due in October 2020. Management elected to designate the quoted debt investments at FVTPL as the debt investments did not meet the Group's business model for holding the financial instrument.

Credit and market risks, and fair value measurement

Information about the Group's and the Company's exposures to credit and market risks, and fair value measurement, is included in Notes 36 and 37 respectively.

12 DEFERRED TAXATION

	At the beginning of the year $'000 (Restated)	Recognised in profit or loss $'000 (Note 27)	Translation differences $'000	At the end of the year $'000
30 April 2020				
Deferred tax assets				
Deferred income	**1**	**–**	**–**	**1**
Property, plant and equipment	**5**	**25**	**–**	**30**
Provisions	**156**	**–**	**(28)**	**128**
Unutilised tax losses	**4,868**	**1,913**	**(16)**	**6,765**
Total	**5,030**	**1,938**	**(44)**	**6,924**
Deferred tax liabilities				
Investment properties	**(7,503)**	**735**	**53**	**(6,715)**
Property, plant and equipment	**(3,134)**	**472**	**–**	**(2,662)**
Total	**(10,637)**	**1,207**	**53**	**(9,377)**

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

12 DEFERRED TAXATION (Continued)

	At the beginning of the year $'000	Recognised in profit or loss $'000	Recognised in fair value reserve $'000	Reclassified to assets held-for-sale $'000	Disposal of a subsidiary $'000	Translation differences $'000	At the end of the year $'000
		(Note 27)	(Note 30)				
	(Restated)	(Restated)				(Restated)	(Restated)
30 April 2019							
Deferred tax assets							
Deferred income	1	–	–	–	–	–	1
Property, plant and equipment	18	(13)	–	–	–	–	5
Provisions	145	–	70	(61)	–	2	156
Unutilised tax losses	5,288	(244)	–	–	–	(176)	4,868
Total	5,452	(257)	70	(61)	–	(174)	5,030
Deferred tax liabilities							
Investment properties	(3,015)	(4,569)	–	–	–	81	(7,503)
Property, plant and equipment	(1,190)	(1,947)	–	3	–	–	(3,134)
Trade and other receivables	(4,209)	–	–	–	4,072	137	–
Total	(8,414)	(6,516)	–	3	4,072	218	(10,637)

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:

The Group	**30 April 2020 $'000**	30 April 2019 $'000	1 May 2018 $'000
		(Restated)	(Restated)
Deferred tax assets	**6,924**	5,030	5,452
Deferred tax liabilities	**(9,377)**	(10,637)	(8,414)
	(2,453)	(5,607)	(2,962)

As at 30 April 2020, deferred tax liabilities of $1.3 million (2019 - $1.3 million; 1 May 2018 - $0.9 million) were not recognised for temporary differences of $13.4 million (2019 - $12.6 million; 1 May 2018 - $8.6 million) 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:

The Group	**30 April 2020 $'000**	30 April 2019 $'000	1 May 2018 $'000
		(Restated)	
Deductible temporary differences	**29**	5,436	1,121
Tax losses	**22,514**	17,883	16,772
	22,543	23,319	17,893

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

12 DEFERRED TAXATION (Continued)

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 4.21.

13 TRADE AND OTHER RECEIVABLES

	Note	The Group			The Company	
		30 April 2020 $'000	30 April 2019 $'000 (Restated)	1 May 2018 $'000 (Restated)	**30 April 2020 $'000**	30 April 2019 $'000
Non-current assets						
Finance lease receivables		**–**	3,060	9,910	**–**	–
Trade receivables – third party		**–**	–	24,796	**–**	–
Impairment loss		**–**	(1,536)	(2,349)	**–**	–
Net receivables		**–**	1,524	32,357	**–**	–
Loans to subsidiaries	(a)	**–**	–	–	**214,540**	253,743
Loan to an associate	(b)	**6,000**	–	–	**–**	–
Loan to a non-controlling interest	(c)	**–**	–	1,672	**–**	–
Loan to third parties	(d)	**–**	–	21,167	**–**	–
Non-trade amounts due from subsidiaries	(e)	**–**	–	–	**97,771**	100,899
Deposits		**38**	–	224	**–**	–
Impairment losses		**–**	–	–	**(44,951)**	(40,526)
Trade and other receivables		**6,038**	1,524	55,420	**267,360**	314,116
Prepayments		**287**	19	92	**–**	–
		6,325	1,543	55,512	**267,360**	314,116
Current assets						
Trade receivables:						
– subsidiaries		**–**	–	–	**1,678**	1,430
– third parties		**35,592**	37,075	61,443	**–**	–
Finance lease receivables		**11,998**	9,002	4,362	**–**	–
		47,590	46,077	65,805	**1,678**	1,430
Impairment losses		**(20,232)**	(16,080)	(16,312)	**(226)**	(6)
Net trade receivables		**27,358**	29,997	49,493	**1,452**	1,424
Loans to a subsidiary	(a)	**–**	–	–	**6,542**	–
Loans to associates	(b)	**33,013**	7,884	4,373	**–**	–
Loans to non-controlling interests	(c)	**6,211**	30,469	37,400	**–**	–
Loans to third parties	(d)	**10,603**	10,709	13,664	**–**	–
Loan to a related party	(f)	**800**	–	–	**–**	–
Non-trade amounts due from a subsidiary	(g)	**–**	–	–	**–**	6,476
Non-trade amounts due from associates	(g)	**7,382**	823	952	**5,232**	809
Non-trade amounts due from non-controlling interests	(g)	**11,960**	15,059	11,896	**282**	–
Non-trade amounts due from related parties	(g)	**20**	533	407	**–**	99
Deposits		**767**	923	3,334	**1**	3
Interest receivables		**467**	5,352	6,872	**–**	4,332
Other receivables		**4,268**	9,948	10,833	**314**	749
Impairment losses		**(17,459)**	(11,380)	(9,896)	**(5,535)**	(5,467)
Trade and other receivables		**85,390**	100,317	129,328	**8,288**	8,425
Prepayments and advances		**2,959**	2,504	5,628	**53**	127
Tax recoverable		**319**	255	200	**–**	–
		88,668	103,076	135,156	**8,341**	8,552

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

13 TRADE AND OTHER RECEIVABLES (Continued)

(a) As at 30 April 2020, loans to subsidiaries of $214.5 million (2019 - $253.7 million) are unsecured with no fixed terms of repayment and are not expected to be repaid within the next twelve months; and non-current loan of $6.5 million (2019 - Nil) are unsecured, bears interests at 6.00% per annum and repayable on demand. Loans of $48 million (2019 - $43.1 million) are interest-free and loans of $15.1 million (2019 - $27.1 million) bear fixed interest at 6.00% to 6.10% (2019 - 6.10% to 8.00%) per annum. The remaining loans amounting to $151.4 million (2019 - $183.5 million) bear interest at 1.00% (2019 - 1.00%) above market swap rate determined at the beginning of each month on the net receivables. As at the reporting date, the average effective interest rate for floating rate loans was 2.60% (2019 - 2.61%) per annum.

(b) During the current financial year, the Group extended a loan of $9.3 million to an associate to repay the amount owing to a related party of the Group, being the Group's 31.0% contribution for acquisition of land located in Chongqing. In addition, loans of $21.5 million previously extended to that associate by the same related party were novated to a subsidiary. As at 30 April 2020, $6 million loan is classified as non-current and repayable only at the end of a 10 year tenure, is unsecured and bears interest at 6% per annum. The remaining loans extended to an associate of $25.1 million was classified as current, unsecured and bears interest at 6.00% per annum.

As at 30 April 2020, loans of $7.9 million (2019 - $5.9 million; 1 May 2018 - $3.9 million) are repayable on demand and bear interest at 1.88% (2019 - 1.88%; 1 May 2018 - 1.88%) above market swap rate determined at the beginning of each month on the net receivables. As at the reporting date, the effective interest rate at reporting date was 2.95% (2019 - 3.83%; 1 May 2018 - 3.26%) per annum.

As at 30 April 2019, the loans of $2 million (1 May 2018 - $0.5 million) are unsecured and bears interests at 6.00% (1 May 2018 - 9.75%) per annum.

(c) As at 30 April 2020, the current loans to non-controlling interests comprised a loan of $1.1 million (2019 - $1.2 million; 1 May 2018 - $7.9 million) bearing interest at 10% (2019 - 10%; 1 May 2018 - 6% to 10%) per annum; and an interest-free loan of $5.1 million (2019 - $29.3 million; 1 May 2018 - $29.5 million), respectively, are unsecured and repayable on demand.

As at 1 May 2018, the non-current loan of $1.6 million was interest-free, unsecured and was not expected to be repaid within 12 months from the balance sheet date while the current loans of $6.7 million which bore interest of 6% per annum were unsecured and repayable on demand.

During the current financial year, the Group agreed to set off loans and non-trade amounts due from non-controlling interests amounting to $24.3 million and $4.3 million respectively with a correspondence decrease in the non-controlling interests balance via a resolution passed to declare dividend.

(d) As at 30 April 2020, the loans to third parties are repayable on demand, comprising a loan of $4.8 million (2019 - $4.9 million; 1 May 2018 - $10.2 million) secured by a third party guarantee and bearing interest at 10.00% (2019 - 10.00%; 1 May 2018 - 3% to 10%) per annum; an unsecured loan of $1.6 million (2019 - $1.6 million; 1 May 2018 - $3.4 million) bearing interest at 9.60% (2019 - 9.60%; 1 May 2018 - 9.6% to 15%) per annum; and an unsecured, non-interest bearing loan of $4.2 million (2019 - $4.2 million; 1 May 2018 - $0.01 million).

(e) The 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.

(f) As at 30 April 2020, the loan to a related party of $0.8 million (2019 - Nil) is unsecured, interest-free and repayable on demand.

(g) Non-trade amounts due from a subsidiary, associates, non-controlling interests and related parties are unsecured, interest-free, and are repayable on demand. The Group's and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in Note 36.

The carrying amounts of the Group's and the Company's non-current trade and other receivables approximate their respective fair values.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

13 TRADE AND OTHER RECEIVABLES (Continued)

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 11% to 16.5% (2019 - 2.75% to 16.5%) per annum.

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

The Group	Gross investment $'000	Unearned finance income $'000	Net investment $'000
30 April 2020			
Not later than one year	**11,998**	**–**	**11,998**
30 April 2019 (Restated)			
Not later than one year	9,777	(775)	9,002
Later than one year and no later than five years	3,085	(25)	3,060
	12,862	(800)	12,062
1 May 2018 (Restated)			
Not later than one year	6,327	(1,965)	4,362
Later than one year and no later than five years	10,547	(637)	9,910
	16,874	(2,602)	14,272

The Group and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in Note 36.

14 DEVELOPMENT PROPERTIES

As at 1 May 2018, the amount related to the fulfilment costs attributable to the units for the residential apartments in the mixed residential and commercial development project in Jiangyin, PRC, with a sales contract recorded in the books of a subsidiary that was disposed in December 2018. The Group did not have enforceable right to payment prior to the point of transfer of the apartments.

In 2019, development properties of $102.9 million were recognised as an expense during the year and included in "cost of sales", for the units transferred to the customers. The revenue and associated fulfilment costs were recorded in consolidated statement of comprehensive income at the point of transfer of the properties. Subsequently, the Group had disposed its entire 60% equity interest in Master Development (Jiangyin) Co. Ltd, a subsidiary in the property development segment of the Group on 19 December 2018.

15 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	30 April 2020 $'000	30 April 2019 $'000	**30 April 2020 $'000**	30 April 2019 $'000
Cash at bank and in hand	**49,112**	14,086	**642**	271
Deposits with banks	**12,795**	30,109	**–**	–
Cash and cash equivalents	**61,907**	44,195	**642**	271

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

15 CASH AND CASH EQUIVALENTS (Continued)

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

The Group	**30 April 2020 $'000**	30 April 2019 $'000
Cash and cash equivalents (as above)	**61,907**	44,195
Deposits pledged	**(8,783)**	–
Cash and cash equivalents from continuing operations	**53,124**	44,195
Cash and cash equivalents of disposal group held-for-sale (Note 16)	**–**	5,128
Cash and cash equivalents per consolidated statement of cash flows	**53,124**	49,323

Deposits pledged refers to cash collateral for a rental bond issued by an insurance company in lieu of a security deposit for the lease of the warehouse complex (Note 6) that is placed in a fixed deposit account.

Included in cash and cash equivalents are amounts of $30.9 million (2019 - $32.9 million) 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 0.30% to 3.20% (2019 - 0.80% to 3.10%). Interest rates are repriced at intervals of overnight, one or twelve months.

16 DISPOSAL GROUP HELD-FOR-SALE

As disclosed in Note 6(A), the Group entered into a conditional put and call option agreement with SGRE Banyan Pte. Ltd. for the sale and leaseback of the Property for an aggregate consideration of $227.5 million. The assets were previously classified as "asset held-for-sale" as the Property was available for immediate sale in their present condition and its sale was highly probable as at 30 April 2019. The sale was completed on 10 May 2019.

As disclosed in Note 38(b), the Company entered into a sale and purchase agreement to sell its 51% of the entire issued and paid-up capital of SIPPL within the Financial Services segment. The assets were classified as "asset held-for-sale" as the assets are available for immediate sale in their present condition and its sale was highly probable as at 30 April 2019. The sale was completed on 28 June 2019.

Assets and liabilities of disposal group held-for-sale

At 30 April 2019, the disposal group was stated at its carrying amount (which is lower than its fair value less costs to sell):

	Note	2019 $'000 (Restated)
Property, plant and equipment*	5	117,328
Deferred tax assets	12	58
Financial assets at FVOCI		17,116
Trade and other receivables		1,916
Cash and cash equivalents	15	5,128
Assets held-for-sale		141,546
Trade and other payables		7,158
Current tax payable		697
Provisions	22	2,123
Liabilities held-for-sale		9,978

* Property, plant and equipment had 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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

17 SHARE CAPITAL

The Company	**30 April 2020 ’000**	30 April 2019 ’000	**30 April 2020 $’000**	30 April 2019 $’000
	No. of ordinary shares			
Ordinary shares issued and fully paid, with no par value:				
Balance at beginning and at end of year	**697,952**	697,952	**174,337**	174,337

The holders of ordinary shares (excluding treasury 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 (excluding treasury shares) rank equally with regard to the Company’s residual assets.

Dividends

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

The Company	**30 April 2020 $’000**	30 April 2019 $’000
First and final tax exempted (one-tier) dividend paid in respect of FY2019 of 0.4 cents per share	**2,666**	–

18 RESERVES

	The Group			The Company	
	30 April 2020 $’000	30 April 2019 $’000 (Restated)	1 May 2018 $’000 (Restated)	**30 April 2020 $’000**	30 April 2019 $’000
Treasury shares	**(1,980)**	(1,980)	(1,935)	**(1,980)**	(1,980)
Capital reserve	**20,642**	7,090	7,089	**7,686**	7,082
Fair value reserve	**–**	(580)	–	**–**	–
Foreign currency translation reserve	**(657)**	370	3,915	**–**	–
Other reserves	**61**	51	24	**–**	–
	18,066	4,951	9,093	**5,706**	5,102

The treasury shares reserve comprises the cost of the Company’s shares held by the Group. On 30 April 2020, the Group held 5,460,560 (2019 - 5,460,560; 1 May 2018 - 5,188,560) of the Company’s shares.

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

The fair value reserve comprises the cumulative net change in fair value of equity investments designated at FVOCI.

The foreign currency translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

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

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

18 RESERVES (Continued)

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

The Group	30 April 2020 $'000	30 April 2019 $'000 (Restated)	1 May 2018 $'000 (Restated)
Loans and borrowings (Note 19)	**134,130**	330,233	344,086
Lease Liabilities (Note 20)	**134,293**	–	–
Less: Total cash and bank balances (Note 15)	**(61,907)**	(44,195)	(70,549)
Net debt (A)	**206,516**	286,038	273,537
Equity attributable to owners of the Company (B)	**222,564**	206,383	202,767
Net debt-to-equity ratio (times) (A)/(B)	**0.93**	1.39	1.35

19 LOANS AND BORROWINGS

	The Group		The Company	
	30 April 2020 $'000	30 April 2019 $'000	**30 April 2020 $'000**	30 April 2019 $'000
Non-current liabilities				
Floating rate bank loans				
– secured	**23,326**	55,949	**–**	–
Fixed rate bank loans				
– secured	**26,620**	–	**–**	–
Finance lease liabilities	**–**	1,683	**–**	–
	49,946	57,632	**–**	–
Notes payable	**–**	65,753	**–**	65,753
	49,946	123,385	**–**	65,753
Current liabilities				
Floating rate bank loans				
– secured	**5,003**	67,474	**–**	–
Fixed rate bank loans				
– secured	**28,200**	99,400	**25,000**	59,400
– unsecured	**–**	13,440	**–**	13,440
Finance lease liabilities	**–**	1,375	**–**	–
	33,203	181,689	**25,000**	72,840
Notes payable	**50,981**	25,159	**43,885**	–
	84,184	206,848	**68,885**	72,840
	134,130	330,233	**68,885**	138,593

The bank loans of the Company and certain subsidiaries amounting $83.1 million (2019 - $222.8 million) are secured by legal mortgages over property, plant and equipment and investment properties of the Group as disclosed in Notes 5 and 8 respectively.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

19 LOANS AND BORROWINGS (Continued)

19.1 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. As at 30 April 2019, the Group has obligations under finance leases that are payable as follows:

The Group	30 April 2019 $'000
Minimum lease payments payable:	
Due not later than one year	1,522
Due later than one year and not later than five years	1,785
	3,307
Less: Finance charges allocated to future periods	(249)
Present value of minimum lease payments	3,058
Present value of minimum lease payments:	
Due not later than one year	1,375
Due later than one year and not later than five years	1,683
	3,058

Finance leases were reclassified to lease liabilities (Note 20) on 1 May 2019 arising from the adoption of SFRS(I) 16. The impact of the adoption is disclosed in Note 3.5.

19.2 Notes payable

As at 30 April 2020, Notes payable comprises (i) Series 003 $66 million Notes issued by the Company which matures in October 2020 and bears interest at 7.5% interest per annum amounting to $43.9 million (2019 - $65.8 million); and (ii) other Notes of $7.1 million due in July 2020 bearing interest at 3.2% per annum (2019 - $25.2 million which matured in May 2019 and bore interest at 3.4% per annum).

The other Notes was renewed in May 2020 and repaid in July 2020.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

19 LOANS AND BORROWINGS (Continued)

19.3 Terms and debt repayment schedule

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

The Group	Nominal interest rate	Financial year of maturity	Face value $'000	Carrying amount $'000
30 April 2020				
Floating rate bank loans	1.75% above 1-month swap offer rate	2021	**692**	**692**
	1.00% – 1.55% above bank's 1-3 months cost of funds	2021 – 2022	**6,137**	**6,137**
	0.60% above LPR	2033	**21,500**	**21,500**
			28,329	**28,329**
Fixed rate bank loans	2.66% – 3.62%	2021 – 2026	**54,820**	**54,820**
Notes payable	3.20% – 7.50%	2021	**50,981**	**50,981**
			134,130	**134,130**
30 April 2019				
Floating rate bank loans	1.00% above SIBOR rate	2021	3,502	3,502
	1.50% – 1.55% above bank's 1-3 months cost of funds	2021	8,012	8,012
	1.55% – 2.00% above swap rate	2020 – 2021	90,270	90,270
	0.60% above LPR	2033	21,639	21,639
			123,423	123,423
Fixed rate bank loans	3.73% – 7.00%	2020	112,840	112,840
Finance lease liabilities	1.25% – 4.90%	2020 – 2023	3,058	3,058
Notes payable	3.40% – 7.50%	2020 – 2021	90,912	90,912
			330,233	330,233

The Company	Nominal interest rate	Financial year of maturity	Face value $'000	Carrying amount $'000
30 April 2020				
Fixed rate bank loans	3.00% – 3.63%	2021	**25,000**	**25,000**
Notes payable	7.5%	2021	**43,885**	**43,885**
			68,885	**68,885**
30 April 2019				
Fixed rate bank loans	3.05% – 7.00%	2020	72,840	72,840
Notes payable	7.5%	2020	65,753	65,753
			138,593	138,593

Of the Group's and Company's bank loans, $28.1 million (2019 - $116.2 million) and $25 million (2019 - $72.8 million) are callable by financial institutions and have been presented as current liabilities in the Group and Company's statements of financial position respectively.

In the previous financial year, certain financial covenants had been revised and a series of waivers of the breach of loan covenants as a result of the irregularities, the fire incident and any other matters relating to Blackgold Group had been obtained subsequent to 30 April 2018 and before 30 April 2019. Accordingly, loans and borrowings of the Group and Company had been classified in accordance with the contractual terms of the facilities as at 30 April 2019.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

20 LEASE LIABILITIES

The Group	**30 April 2020 $'000**
Undiscounted lease payments due:	
– No later than one year	**23,666**
– Later than one year and not later than five years	**65,380**
– Later than five years	**79,308**
	168,354
Less: Future interest costs	**(34,061)**
	134,293
Presented as:	
– Non-current	**116,479**
– Current	**17,814**
	134,293

The Group's lease liabilities are secured by the lessors' title to the leased assets.

Total cashflows for all leases in the current financial year amounted to $16.9 million. Information about the Group's leasing activities are further disclosed in Note 32.

Interest expense on lease liabilities of $6.4 million is recognised within "finance costs" in the consolidated statement of comprehensive income.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

21 TRADE AND OTHER PAYABLES

	Note	The Group			The Company	
		30 April 2020 $'000	30 April 2019 $'000 (Restated)	1 May 2018 $'000 (Restated)	**30 April 2020 $'000**	30 April 2019 $'000
Non-current liabilities						
Deferred consideration payable	(a)	**5,000**	–	–	**5,000**	–
Deposits		**2,045**	2,384	–	**–**	–
Loans from subsidiaries	(b)	**–**	–	–	**54,327**	56,508
Loans from non-controlling interests	(c)	**–**	3,895	15,357	**–**	–
Loan from related parties	(d)	**21,452**	–	3,332	**–**	–
Non-trade amounts due to subsidiaries	(e)	**–**	–	–	**8,810**	4,916
Other payables		**–**	224	3,506	**3**	–
Long-term employee benefits	(f)	**1,002**	1,410	1,774	**634**	1,080
		29,499	7,913	23,969	**68,774**	62,504
Current liabilities						
Trade payables		**17,000**	17,727	71,297	**–**	–
Accrued interest expense		**305**	1,504	1,987	**116**	745
Accrued operating expenses		**2,839**	3,513	4,068	**563**	1,026
Contract liabilities	(g)	**1,717**	1,131	122,860	**48**	–
Deferred consideration payable	(a)	**7,003**	–	–	**3,000**	–
Deposits		**4,018**	3,609	4,712	**–**	–
Foreign exchange contracts at FVTPL		**–**	21	578	**–**	21
Loans from subsidiaries	(b)	**–**	–	–	**9,998**	–
Loans from non-controlling interests	(h)	**20,768**	16,640	11,598	**–**	–
Loan from related parties	(i)	**3,582**	15,082	7,000	**250**	11,750
Loan from a director		**–**	1,721	11,721	**–**	1,721
Loan from third parties	(j)	**–**	1,006	–	**–**	–
Non-trade amounts due to:						
– an associate		**4**	–	–	**4**	–
– related parties	(k)	**3,073**	1,710	1,491	**–**	–
– non-controlling interests	(k)	**1,162**	1,031	1,027	**–**	–
– director	(k)	**–**	21	–	**–**	21
Other payables		**8,050**	8,556	11,750	**737**	699
		69,521	73,272	250,089	**14,716**	15,983
Total trade and other payables		**99,020**	81,185	274,058	**83,490**	78,487

(a) As at 30 April 2020, the deferred consideration payables arose from the Group's acquisitions of the remaining 49% equity interests in (i) LTHS amounting to $8 million; and (ii) Shentoncil amounting to $4 million respectively.

(b) As at 30 April 2020, the loans from subsidiaries amounting to $54.3 million (2019 - $56.5 million) are unsecured with no fixed terms of repayment and will not be repaid within the next twelve months from the reporting date. Current loans of $10 million (2019 - Nil) are unsecured and are repayable on demand.

Loans of $0.7 million (2019 - $8.7 million) are interest-free, loans of $51.8 million (2019 - $25.5 million) bear fixed interest at 3.20% to 6.00% (2019 - 3.69% to 3.85%) and loans of $3 million (2019 - $8.2 million) bear interest at 1.50% to 1.75% (2019 - 1.50% to 1.75%) over bank's cost of funds. The remaining loans amounting to $8.8 million (2019 - $14.2 million) bear interest at 1.00% (2019 - 1.00%) above market swap rate determined at the beginning of each month on the net payables. As at the reporting date, the average effective interest rate for interest-bearing loans was 2.60% (2019 - 2.61%) per annum.

(c) As at 30 April 2019, non-current loans from non-controlling interest of $3.9 million (1 May 2018 - $14.6 million) were unsecured, interest-free, have no fixed terms of repayment and would not be repaid within the next 12 months. As at 1 May 2018, a loan of $0.7 million bore interest at 10% per annum and was repaid in FY2019.

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For the financial year ended 30 April 2020

21 TRADE AND OTHER PAYABLES (Continued)

(d) During the year, the loan due from an associate was novated from a related party to a subsidiary of the Group. As at 30 April 2020, the non-current loan from a related party of $21.5 million was unsecured and bore interest at 6.00% per annum and is repayable by June 2029. As at 1 May 2018, the non-current loan from a related party of $3.3 million which bore interest at 6.00% per annum was reclassified to current liabilities in FY2019.

(e) 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.

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

(g) As at 1 May 2018, included in contract liabilities was a balance of $121.9 million for advance payments received from customers in relation to a development project in Jiangyin, China. The units were handed over in FY2019 and the contract liabilities were recognised as revenue then.

(h) As at 30 April 2020, the loans from non-controlling interests are unsecured and expected to be repaid within the next twelve months. Loans of $20.5 million (2019 - $16.3 million; 1 May 2018 - $5.7 million) are interest-free and remaining loan of $0.3 million (2019 - $0.3 million; 1 May 2018 - $5.9 million) bears interest at 12.00% (2019 - 12.00%) per annum.

(i) As at 30 April 2020, the loan from a related party of $3.3 million (2019 - $3.3 million) is unsecured, repayable on demand and bear interest at 6.00% per annum. The remaining loans of $0.3 million (2019 - $11.8 million) are unsecured, repayable on demand and interest-free. As at 1 May 2018, the $7 million loan from a related party was unsecured, interest-free and repayable on demand.

(j) As at 30 April 2019, loans from third parties are unsecured and expected to be repaid within the next twelve months. A loan of $0.6 million was interest-free and remaining loans of $0.4 million bore interest at 12.00% per annum.

(k) Non-trade amounts due to related parties, an associate, non-controlling interests and directors are unsecured, interest-free and repayable on demand.

22 PROVISIONS

The Group	**30 April 2020 $'000**	30 April 2019 $'000
Site restoration		
At beginning of year	**1,857**	3,883
Provision made during the year	**48**	97
Provision utilised	**(52)**	–
Provision reclassified to disposal group held-for-sale (Note 16)	**–**	(2,123)
At end of the year	**1,853**	1,857
Provisions due:		
– within 1 year	**141**	141
– after 5 years	**1,712**	1,716
	1,853	1,857

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

23 REVENUE

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major product and service 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	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Primary geographical markets										
Singapore	**115,480**	126,599	**1**	3,343	**–**	–	**–**	–	**115,481**	129,942
Malaysia	**14,428**	17,514	**–**	–	**–**	–	**–**	–	**14,428**	17,514
China	**1,845**	276	**635**	3,247	**5,804**	122,471	**–**	–	**8,284**	125,994
Thailand	**6,954**	6,436	**–**	–	**–**	–	**–**	–	**6,954**	6,436
Hong Kong	**1,354**	1,767	**–**	84	**–**	–	**–**	–	**1,354**	1,851
	140,061	152,592	**636**	6,674	**5,804**	122,471	**–**	–	**146,501**	281,737
Inter-segment revenue	**354**	330	**–**	–	**–**	–	**(354)**	(330)	**–**	–
	140,415	152,922	**636**	6,674	**5,804**	122,471	**(354)**	(330)	**146,501**	281,737
Major products and service lines										
Freight services	**64,039**	68,343	**–**	–	**–**	–	**–**	–	**64,039**	68,343
Logistics services	**76,022**	84,249	**–**	–	**–**	–	**–**	–	**76,022**	84,249
Sale of development properties	**–**	–	**–**	–	**–**	119,309	**–**	–	**–**	119,309
Management services	**–**	–	**–**	–	**85**	68	**–**	–	**85**	68
Fee income	**–**	–	**635**	3,331	**–**	–	**–**	–	**635**	3,331
Dividend income	**–**	–	**1**	2,696	**–**	–	**–**	–	**1**	2,696
Interest income	**–**	–	**–**	647	**–**	–	**–**	–	**–**	647
Property management services	**–**	–	**–**	–	**450**	440	**–**	–	**450**	440
Rental income	**–**	–	**–**	–	**5,269**	2,654	**–**	–	**5,269**	2,654
	140,061	152,592	**636**	6,674	**5,804**	122,471	**–**	–	**146,501**	281,737
Inter-segment revenue	**354**	330	**–**	–	**–**	–	**(354)**	(330)	**–**	–
	140,415	152,922	**636**	6,674	**5,804**	122,471	**(354)**	(330)	**146,501**	281,737

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

23 REVENUE (Continued)

Disaggregation of revenue (Continued)

	Freight and logistics		Financial services		Real estate		Eliminations		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Timing of revenue recognition										
Products and services transferred at a point in time	**–**	–	**635**	3,331	**–**	119,309	**–**	–	**635**	122,640
Products and services transferred over time	**140,061**	152,592	**–**	–	**535**	508	**–**	–	**140,596**	153,100
Others*	**–**	–	**1**	3,343	**5,269**	2,654	**–**	–	**5,270**	5,997
	140,061	152,592	**636**	6,674	**5,804**	122,471	**–**	–	**146,501**	281,737
Inter-segment revenue	**354**	330	**–**	–	**–**	–	**(354)**	(330)	**–**	–
	140,415	152,922	**636**	6,674	**5,804**	122,471	**(354)**	(330)	**146,501**	281,737

* Out of scope of SFRS(I) 15 (dividend income, interest income and rental income).

Transaction prices allocated to the remaining performance obligations

The Group has applied the practical expedients in paragraphs 121(a) and 121(b) of SFRS(I) 15 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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

24 OTHER INCOME

The Group	**2020** **$'000**	2019 $'000
Fair value gain on foreign currency forward contracts	**21**	556
Fair value gain on investment properties (Note 8)	**–**	8,300
Fair value gain on securities designated at fair value through profit or loss	**–**	205
Foreign exchange gain, net	**2,842**	–
Gain on disposal of equity investments	**3,330**	–
Gain on disposal of property, plant and equipment	**93**	–
Gain on rights transferred in a sale and leaseback transaction	**41,313**	–
Gain on disposal of subsidiaries	**16,750**	758
Government grants	**755**	–
Others	**1,085**	828
	66,189	10,647

25 FINANCE INCOME AND COSTS

The Group	**2020** **$'000**	2019 $'000
Interest income:		
– other receivables	**163**	–
– bank deposits	**650**	990
– loans to an associate	**1,931**	262
– loans to third party	**–**	695
Finance income	**2,744**	1,947
Interest expense:		
– term loans	**(3,669)**	(9,469)
– notes payable	**(3,350)**	(6,117)
– loans from non-controlling interests	**(36)**	(182)
– loans from related companies	**(1,350)**	(199)
– loans from a third party	**(2)**	(3)
– lease liabilities (2019 - finance lease liabilities)	**(6,397)**	(203)
– unwinding of interest on site restoration provision	**(48)**	(97)
– others	**(149)**	(36)
Finance costs	**(15,001)**	(16,306)
Net finance costs	**(12,257)**	(14,359)

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:

The Group	**2020** **$'000**	2019 $'000
Total interest income on financial assets at amortised cost	**2,744**	1,947
Total interest expense on financial liabilities measured at amortised cost	**(14,804)**	(16,173)

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

26 PROFIT BEFORE TAXATION

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

The Group	Note	**2020** **$'000**	2019 $'000 (Restated)
Audit fees paid to:			
– auditors of the Company		**298**	542
– predecessor auditors of the Company		**106**	–
– other auditors		**65**	26
Depreciation of property, plant and equipment	5	**8,495**	10,949
Depreciation of right-of-use assets	6	**12,588**	–
Fair value loss/(gain) on financial instruments at FVTPL		**408**	(205)
Fair value loss/(gain) on investment properties		**7,942**	(8,300)
Foreign exchange (gain)/loss		**(2,842)**	310
Gain on rights transferred under a sale and leaseback arrangement	6	**(41,313)**	–
(Gain)/loss on disposal of equity investments		**(3,330)**	2
(Gain)/loss on disposal of property, plant and equipment		**(93)**	195
Impairment loss recognised, net:			
– investment in associates		**12,108**	1,217
– trade and other receivables		**17,456**	1,220
Non-audit fees paid to:			
– auditors of the Company		**1**	24
– predecessor auditors of the Company		**22**	–
– other auditors		**38**	29
Property, plant and equipment written off		**36**	43
Operating lease expenses		**12,637**	20,822
Employee benefits:			
– Staff costs, including salaries, bonuses and other costs*		**25,571**	26,093
– Contributions to defined contribution plans*		**2,750**	3,412
		28,321	29,505

* Included in the above are key management personnel compensation including directors' fees paid to non-executive directors, which is disclosed in Note 35.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

27 TAXATION

The Group	2020 $'000	2019 $'000 (Restated)
Current tax expense		
– Current year	**1,605**	3,118
– Overprovision in respect of prior years	**(1,041)**	(1,718)
	564	1,400
Deferred tax expense		
– Origination and reversal of temporary differences	**(415)**	7,320
– Overprovision in respect of prior years	**(2,730)**	(547)
	(3,145)	6,773
	(2,581)	8,173

Singapore income tax is calculated at 17% (2019 - 17%) of the estimated assessable profit or loss for the year. Taxation for other jurisdictions is calculated at the prevailing corporate tax rates in the relevant jurisdictions.

The applicable tax rate used in the reconciliation between the Group's tax expense and accounting profit is the Singapore statutory tax rate based on the jurisdiction where the Company and most group entities are established. The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the accounting profit as a result of the following:

The Group	2020 $'000	2019 $'000 (Restated)
Profit before taxation	**13,004**	25,955
Impairment loss on investment associates	**12,108**	1,217
Share of profits of associates, net of tax	**4,716**	(11,115)
Profit before share of profits of associates and impairment loss on investment in associate	**29,828**	16,057
Tax calculated using Singapore tax rate of 17% (2019 - 17%)	**5,071**	2,730
Effect of tax rates in foreign jurisdictions	**(1,177)**	2,006
Non-deductible expenses	**9,829**	4,356
Tax exempt income	**(12,422)**	(1,309)
Utilisation of deferred tax assets previously not recognised	**(132)**	(62)
Current year losses for which no deferred tax asset was recognised	**–**	358
Overprovision in respect of prior years	**(3,771)**	(2,265)
Effect of change in tax law in certain jurisdiction	**–**	2,347
Others	**21**	12
	(2,581)	8,173

Non-deductible expenses comprise mainly impairment loss on trade and other receivables and RCCPS in an associate, fair value loss on investment properties (net), interest expense on lease liabilities and depreciation expense on right-of-use assets.

Tax exempted income relates mainly to the gain on the sale and leaseback arrangement, gains on the disposal of subsidiaries and financial assets, and dividend income from associates.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

28 DISCONTINUED OPERATIONS

The discontinued operations refer to Sabana Investment Partners Pte Ltd and its subsidiaries, Freight Links (Jiangsu) Co., Ltd and Jiangyin Huan Lian International Trade Co., Ltd.

On 28 June 2019, the Company announced the completion of the disposal of the Group's entire interest in Sabana Investment Partners Pte. Ltd. and its subsidiaries to an unrelated third party.

Freight Links (Jiangsu) Co., Ltd and Jiangyin Huan Lian International Trade Co., Ltd are in the process of voluntary striking off. The deregistration process is expected to be completed within financial year 2020.

These companies were not previously presented as a discontinued operation or classified as held-for-sale as at 30 April 2018. Thus, the comparative statement of comprehensive income had been re-presented to show the discontinued operation separately from continuing operations. Management committed to a plan to sell/deregister these companies in financial year 2020 following a strategic decision to place greater focus on the Group's core business and towards satisfying the Group's debts.

The Group	**2020** **$'000**	2019 $'000
Results of discontinued operation		
External revenue	**1,156**	12,824
Other income	**19**	1,357
External expenses	**(816)**	(10,538)
Results from operating activities	**359**	3,643
Finance income	**6**	33
Finance costs	**(3)**	–
Net finance income	**3**	33
Tax expense	**(43)**	(645)
Profit from discontinued operation, net of tax	**319**	3,031
Diluted and basic earnings per share (cents)	**0.05**	0.44

The Group	**2020** **$'000**	2019 $'000
Cash flows from/(used in) discontinued operation		
Net cash from operating activities	**1,725**	5,811
Net cash from investing activities	**1,004**	1,466
Net cash used in financing activities	**(38)**	(2,160)
Net cash flows for the year	**2,691**	5,117

The profit from discontinued operation of $0.3 million (2019 - $3 million) is attributable entirely to the owners of the Company. Of the profit from continuing operations of $15.6 million (2019 restated - $17.8 million), an amount of $5.1 million (2019 - $4.7 million) is attributable to the owners of the Company.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

28 DISCONTINUED OPERATIONS (Continued)

Effects of disposal on the financial position of the Group

The Group	Note	2019 $'000
Property, plant and equipment		174
Deferred tax assets		58
Financial assets at FVOCI		17,116
Trade and other receivables		1,916
Cash and cash equivalents	15	5,128
Current tax payable		(697)
Trade and other payables		(7,158)
Net assets and liabilities		16,537

29 EARNINGS PER SHARE

The Group	2020	2019
Profit for the year attributable to owners of the Company ($'000)	**5,466**	7,758
Number of ordinary shares in issue at 1 May ('000)	**697,952**	697,952
Effect of own shares held ('000)	**(5,461)**	(5,461)
Number of ordinary shares in issue at 30 April ('000)	**692,491**	692,491
Diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders ($'000)	**5,466**	7,758

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is not adjusted to take into account the dilutive effect arising from the dilutive potential ordinary shares weighted for the period outstanding, as there were no dilutive potential ordinary shares during the year.

30 OTHER COMPREHENSIVE INCOME AFTER TAX

	2020			2019		
The Group	**Before tax $**	**Tax expense $**	**Net of tax $**	Before tax $	Tax expense $	Net of tax $
Tax effects relating to each component of other comprehensive expense:						
Equity investments at FVOCI						
– net change in fair value	**1,101**	**(91)**	**1,010**	(818)	70	(748)

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

31 OPERATING SEGMENTS

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different services and are managed separately because they require different marketing strategies. For each of the strategic business units, the Group's CEO (the chief operating decision maker) reviews internal management reports regularly.

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

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

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

Inter-segment pricing is determined on mutually agreed terms.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise investments and related revenue, loans and borrowings, notes payables and expenses, current and deferred taxes, corporate assets and head office expenses.

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

Geographical segments

The freight and logistics, financial services and real estate business segments are managed on a worldwide basis but operate in eight principal geographical areas.

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

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

31 OPERATING SEGMENTS (Continued)

The Group	Freight and Logistics		Financial Services		Real Estate		Eliminations		Continuing Operations		Discontinued Operations		Total Operations	
	30 April 2020 $'000	30 April 2019 $'000	**30 April 2020 $'000**	30 April 2019 $'000 (Restated)	**30 April 2020 $'000**	30 April 2019 $'000	**30 April 2020 $'000**	30 April 2019 $'000	**30 April 2020 $'000**	30 April 2019 $'000 (Restated)	**30 April 2020 $'000**	30 April 2019 $'000	**30 April 2020 $'000**	30 April 2019 $'000 (Restated)
Revenue														
External revenue	**140,061**	152,592	**636**	6,674	**5,804**	122,471	**–**	–	**146,501**	281,737	**1,156**	12,824	**147,657**	294,561
Inter-segment revenue	**354**	330	**–**	–	**–**	–	**(354)**	(330)	**–**	–	**–**	–	**–**	–
Total revenue	**140,415**	152,922	**636**	6,674	**5,804**	122,471	**(354)**	(330)	**146,501**	281,737	**1,156**	12,824	**147,657**	294,561
Results														
Segment results	**45,692**	10,581	**5,925**	4,989	**(5,881)**	20,701	**–**	–	**45,736**	36,271	**359**	3,643	**46,095**	39,914
Unallocated corporate costs														
– Other corporate costs									**(3,651)**	(5,855)	**–**	–	**(3,651)**	(5,855)
Results from operating activities									**42,085**	30,416	**359**	3,643	**42,444**	34,059
Finance income	**6,224**	3,187	**8,592**	9,543	**3,136**	(789)	**(15,208)**	(9,994)	**2,744**	1,947	**6**	33	**2,750**	1,980
Finance costs	**(10,912)**	(8,778)	**(13,384)**	(14,584)	**(5,918)**	(2,961)	**15,213**	10,017	**(15,001)**	(16,306)	**(3)**	–	**(15,004)**	(16,306)
Impairment loss on investment in associate									**(12,108)**	(1,217)	**–**	–	**(12,108)**	(1,217)
Share of (loss)/profits of associates, net of tax									**(4,716)**	11,115	**–**	–	**(4,716)**	11,115
Profit before income tax									**13,004**	25,955	**362**	3,676	**13,366**	29,631
Income tax expense	**(65)**	(1,237)	**2,007**	(558)	**639**	(6,378)	**–**	–	**2,581**	(8,173)	**(43)**	(645)	**2,538**	(8,818)
Profit/(loss) for the year	**40,939**	3,753	**3,140**	(610)	**(8,024)**	10,573	**5**	23	**15,585**	17,782	**319**	3,031	**15,904**	20,813
Other segmental information														
Fair value gain on foreign currency forward contract	**–**	–	**21**	556	**–**	–	**–**	–	**21**	556	**–**	–	**21**	556
Fair value (loss)/gain on investment properties	**–**	–	**–**	–	**(7,942)**	8,300	**–**	–	**(7,942)**	8,300	**–**	–	**(7,942)**	8,300
Fair value (loss)/gain on securities designated at FVTPL	**–**	–	**(408)**	205	**–**	–	**–**	–	**(408)**	205	**–**	–	**(408)**	205
Gain/(loss) on disposal of subsidiaries	**–**	–	**16,750**	–	**–**	758	**–**	–	**16,750**	758	**–**	(1)	**16,750**	757
Gain on disposal of other investments	**–**	–	**3,330**	–	**–**	–	**–**	–	**3,330**	–	**–**	–	**3,330**	–
Government grants	**692**	–	**63**	–	**–**	–	**–**	–	**755**	–	**–**	–	**755**	–
(Impairment loss)/reversal of impairment loss on trade and other receivables (including RCCPS in an associate), net	**(986)**	(401)	**(16,480)**	(670)	**10**	(148)	**–**	–	**(17,456)**	(1,219)	**–**	–	**(17,456)**	(1,219)
Gain on rights transferred under a sale and leaseback arrangement	**41,313**	–	**–**	–	**–**	–	**–**	–	**41,313**	–	**–**	–	**41,313**	–
Gain/(loss) on disposal of property, plant and equipment	**(118)**	(132)	**–**	(72)	**(3)**	(5)	**–**	–	**(121)**	(209)	**28**	14	**(93)**	(195)

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

31 OPERATING SEGMENTS (Continued)

The Group	Freight and Logistics		Financial Services		Real Estate		Eliminations		Continuing Operations		Discontinued Operations		Total Operations	
	30 April 2020 $'000	30 April 2019 $'000	**30 April 2020 $'000**	30 April 2019 $'000 (Restated)	**30 April 2020 $'000**	30 April 2019 $'000	**30 April 2020 $'000**	30 April 2019 $'000	**30 April 2020 $'000**	30 April 2019 $'000 (Restated)	**30 April 2020 $'000**	30 April 2019 $'000	**30 April 2020 $'000**	30 April 2019 $'000 (Restated)
Assets and liabilities														
Segment assets	**295,012**	324,677	**60,536**	89,285	**190,471**	188,291	**–**	–	**546,019**	602,253	**2,248**	24,334	**548,267**	626,587
Tax recoverable									**319**	255	**–**	–	**319**	255
Associates (Note 10)									**64,409**	88,625	**–**	–	**64,409**	88,625
Deferred tax assets (Note 12)									**6,884**	4,972	**40**	58	**6,924**	5,030
Cash and cash equivalents (Note 15)									**642**	271	**–**	–	**642**	271
Other unallocated assets									**609**	993	**–**	–	**609**	993
Total assets									**618,882**	697,369	**2,288**	24,392	**621,170**	721,761
Segment liabilities	**196,732**	175,114	**32,123**	76,283	**79,109**	56,015	**–**	–	**307,964**	307,412	**3**	7,158	**307,967**	314,570
Notes payable (Note 19)									**50,981**	90,912	**–**	–	**50,981**	90,912
Deferred tax liabilities (Note 12)									**9,377**	10,637	**–**	–	**9,377**	10,637
Current tax payable									**7,378**	7,978	**78**	697	**7,456**	8,675
Other unallocated liabilities									**10,348**	17,074	**–**	–	**10,348**	17,074
Total liabilities									**386,048**	434,013	**81**	7,855	**386,129**	441,868
Capital expenditure	**76,840**	2,213	**7**	242	**4,395**	16,159	**–**	–	**81,242**	18,614	**–**	124	**81,242**	18,738
Depreciation of property, plant and equipment and right-of-use assets	**21,002**	10,714	**65**	73	**16**	106	**–**	–	**21,083**	10,893	**42**	56	**21,125**	10,949

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

31 OPERATING SEGMENTS (Continued)

Geographical segments (Continued)

The Group	Revenue		Non-current assets*		Capital expenditure	
	2020	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	$'000
				(Restated)		
Continuing operations						
Singapore	**59,515**	74,032	**262,913**	200,608	**76,430**	856
Malaysia	**15,322**	14,924	**57,458**	67,642	**291**	1,582
China	**18,081**	134,899	**92,232**	86,576	**4,395**	16,159
Rest of Asia	**31,947**	36,422	**2,275**	2,212	**126**	17
United States of America	**5,193**	4,940	**–**	–	**–**	–
Oceania	**3,711**	3,800	**–**	–	**–**	–
Europe	**7,590**	7,497	**–**	–	**–**	–
Middle East	**3,046**	2,869	**–**	–	**–**	–
Others	**2,096**	2,354	**–**	–	**–**	–
	146,501	281,737	**414,878**	357,038	**81,242**	18,614
Discontinued operations						
Singapore	**1,089**	7,568	**–**	–	**–**	8
China	**67**	2,044	**28**	–	**–**	116
Rest of Asia	**–**	3,212	**–**	–	**–**	–
	147,657	294,561	**414,906**	357,038	**81,242**	18,738

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

Major customers

In FY2020 and FY2019, no major customer accounted for more than 10% of the consolidated revenue.

32 COMMITMENTS

Capital commitments

The Group	**2020**	2019
	$'000	$'000
Expenditure contracted for property, plant and equipment	**3,143**	1,110

Capital commitments relate to outstanding contracts in respect of the purchase consideration payable for the 15 (2019 - 3) units of trailers, 23 (2019 - 13) units of prime movers.

Operating lease commitments

Where the Group are lessee

The Group leases a number of leasehold properties from the Jurong Town Corporation, a warehouse premise and motor vehicles, trucks and prime movers 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. There are no externally imposed covenants in these property and assets lease arrangements.

As disclosed in Note 3(b), the Group had adopted SFRS(I) 16 on 1 May 2019. These operating lease commitments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 1 May 2019, except for short-term and low value assets. Certain of the lease arrangements provide for optional extension periods, for which the related lease payments have not been included in the lease liabilities because the Group is not reasonably certain to exercise these lease extension options. The resultant lease payments that have not been included are not material. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

32 COMMITMENTS (Continued)

Operating lease commitments (Continued)

Where the Group are lessee (Continued)

At 30 April 2019, the Group had commitments for future minimum lease payments under non-cancellable operating leases in accordance with SFRS(I) 1-17 as follows:

The Group	2019 $'000
Not later than one year	12,719
Later than one year but not later than five years	14,466
Later than five years	99,170
	126,355

Where the Group is the lessor

The Group leases out its investment properties. The leases run for a period of 1 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 2020, the future minimum lease receivable under non-cancellable operating leases contracted at the reporting date are as follows:

The Group	**2020 $'000**
Undiscounted lease payment to be received	
– year 1	**11,622**
– year 2	**7,670**
– year 3	**4,730**
– year 4	**4,031**
– year 5	**4,042**
– year 6 and onwards	**7,463**
	39,558

33 CONTINGENT LIABILITIES (UNSECURED)

Intra-group financial guarantees comprise corporate guarantees amounting to $38.9 million (2019 - $144.8 million) 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:

The Company	**2020 $'000**	2019 $'000
Not later than one year	**8,252**	107,839
Later than one year but not later than five years	**30,689**	37,002
	38,941	144,841

As at 30 April 2020, the Company has also extended $40.6 million (2019 - $19 million) of corporate guarantee to its associate Ececil Pte. Ltd.. The corporate guarantee will expire within 1 year.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

33 CONTINGENT LIABILITIES (UNSECURED) (Continued)

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 FY2020, the Company has undertaken to provide financial support to certain of its subsidiaries and an associate for the next twelve months. The net current liabilities or net liabilities of these entities as at 30 April 2020 amounted to $318 million and $54.4 million (2019 - $283.2 million and $78.7 million) respectively.

As disclosed in Note 2, the Blackgold Group is involved in potential claims, litigations and other regulatory matters. The appointed PRC Counsel has confirmed to the Board that to the best of their knowledge and pursuant to its legal searches, they have not come across any information or documents that would make them believe or suspect that the Group (other than the PRC Blackgold Group) has provided any form of guarantee or security in respect of bank loans granted to or guaranteed by the PRC Blackgold Group.

34 CONTINGENCIES

Litigation with Desa Tiasa Sdn. Bhd. ("DTSB")

Kuala Lumpur High Court Companies Winding-up Petition No. WA-28NCC-1162-12/2018

On 18 December 2018, a wholly-owned subsidiary of the Group, Singapore Enterprises Pte. Ltd. ("SEPL") received a petition fom DTSB to wind-up Saujana Tiasa Sdn. Bhd. ("STSB"), which is a joint venture between DTSB and SEPL formed in August 2013 for the purpose of acquiring a freehold property known as Palas Condominium located in Kuala Lumpur, Malaysia.

The main ground upon which the Winding-up Petition is presented is that there had been transactions involving STSB which are allegedly illegal moneylending transactions. SEPL is defending the Winding-up Petition on grounds that the transactions complained of are valid transactions, all of which involve DTSB, and that DTSB has presented the Winding-up Petition in bad faith in an attempt to avoid its obligations.

No hearing date has been fixed by the Court to hear the Petition. DTSB has filed an application to amend the Petition, and a hearing date to hear this application has been be fixed by the Court on 2 September 2020.

As the proceedings are still at an early stage and any arising provision cannot be estimated reliably, no provision has been made in the financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

35 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following are transactions with related parties made at terms agreed between the parties:

The Group	**2020** **$'000**	2019 $'000
Purchases from a related party	**142**	1,038

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:

The Group	**2020** **$'000**	2019 $'000 (Restated)
Directors' fee	**191**	165
Short-term employee benefits	**2,696**	2,938
Defined contribution plans	**122**	115
	2,818	3,053

36 FINANCIAL RISK MANAGEMENT

The Group's and the Company's financial risk management policies set out the overall business strategies and risk management philosophy. The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance. The Group uses financial instruments such as interest rate swaps to hedge certain risk exposures from time to time.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

36 FINANCIAL RISK MANAGEMENT (Continued)

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

The Group	Note	Financial assets at amortised cost $'000	FVOCI – equity instruments $'000	Mandatorily at FVTPL $'000	Designated at fair value $'000	Other financial liabilities $'000	Total $'000
30 April 2020							
Financial assets measured at fair value							
Equity investments	11	**–**	**–**	**30,553**	**–**	**–**	**30,553**
Debt investments	11	**–**	**–**	**–**	**11,606**	**–**	**11,606**
		–	**–**	**30,553**	**11,606**	**–**	**42,159**
Financial assets not measured at fair value							
Trade and other receivables, excluding tax recoverable, prepayments and advances	13	**91,428**	**–**	**–**	**–**	**–**	**91,428**
		91,428	**–**	**–**	**–**	**–**	**91,428**
Financial liabilities not measured at fair value							
Loans and borrowings	19	**–**	**–**	**–**	**–**	**134,130**	**134,130**
Lease liabilities	20	**–**	**–**	**–**	**–**	**134,293**	**134,293**
Trade and other payables*	21	**–**	**–**	**–**	**–**	**96,301**	**96,301**
		–	**–**	**–**	**–**	**364,724**	**364,724**
30 April 2019							
Financial assets measured at fair value							
Equity investments	11	–	11,205	–	–	–	11,205
Equity investments – mandatorily at FVTPL	11	–	–	47,872	–	–	47,872
		–	11,205	47,872	–	–	59,077
Financial assets not measured at fair value							
RCCPS in an associate	10	9,774	–	–	–	–	9,774
Trade and other receivables, excluding tax recoverable, prepayments and advances	13	101,841	–	–	–	–	101,841
		111,615	–	–	–	–	111,615
Financial liabilities measured at fair value							
Foreign exchange contracts	21	–	–	–	21	–	21
Financial liabilities not measured at fair value							
Loans and borrowings	19	–	–	–	–	330,233	330,233
Trade and other payables*	21	–	–	–	–	78,623	78,623
		–	–	–	–	408,856	408,856

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

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

36 FINANCIAL RISK MANAGEMENT (Continued)

The Company	Note	Financial assets at amortised cost $'000	FVOCI – equity instruments $'000	Mandatorily at FVTPL $'000	Designated at fair value $'000	Other financial liabilities $'000	Total $'000
30 April 2020							
Financial assets measured at fair value							
Equity investments	11	**–**	**–**	**28,303**	**–**	**–**	**28,303**
Financial assets not measured at fair value							
Trade and other receivables, excluding tax recoverable, prepayments and advances	13	**275,648**	**–**	**–**	**–**	**–**	**275,648**
Financial liabilities not measured at fair value							
Loans and borrowings	19	**–**	**–**	**–**	**–**	**68,885**	**68,885**
Trade and other payables*	21	**–**	**–**	**–**	**–**	**82,808**	**82,808**
		–	**–**	**–**	**–**	**151,693**	**151,693**
30 April 2019							
Financial assets measured at fair value							
Equity investments	11	–	–	33,498	–	–	33,498
Financial assets not measured at fair value							
RCCPS in an associate	10	9,774	–	–	–	–	9,774
Trade and other receivables, excluding tax recoverable, prepayments and advances	13	322,541	–	–	–	–	322,541
		332,315	–	–	–	–	332,315
Financial liabilities measured at fair value							
Foreign exchange contracts	21	–	–	–	21	–	21
Financial liabilities not measured at fair value							
Loans and borrowings	19	–	–	–	–	138,593	138,593
Trade and other payables*	21	–	–	–	–	77,386	77,386
		–	–	–	–	215,979	215,979

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

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

36 FINANCIAL RISK MANAGEMENT (Continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group or the Company to incur a financial loss. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables.

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 and other 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.

Impairment losses on financial assets recognised in the statement of comprehensive income were as follows:

The Group	**2020**	2019
	$'000	$'000
		(Restated)
At 1 May	**31,193**	30,692
Impairment loss recognised	**18,037**	1,919
Reversal of impairment loss	**(581)**	(699)
Impairment loss, net	**17,456**	1,220
Impairment loss utilised	**(192)**	(35)
Translation differences	**(57)**	(684)
At 30 April	**48,400**	31,193

Please refer to Table A and Table B for the breakdown of impairment losses for other receivables and trade receivables.

The Group does not have trade and other receivables for which no loss allowance is recognised because of collateral.

Exposure to credit risk

The Group's and the Company's maximum exposure to credit risk for trade and other receivables* at the reporting date by business activities was as follows:

	The Group		**The Company**	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
		(Restated)		
Freight and logistics	**32,904**	34,515	**64,931**	97,963
Financial services	**16,150**	28,649	**203,706**	234,347
Real estate	**42,374**	38,677	**7,011**	6
	91,428	101,841	**275,648**	332,316

* Excludes tax recoverable, prepayment and advances

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

36 FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

Trade and other receivables (Continued)

Expected credit loss assessment for receivables with credit ratings (or equivalent) as at 30 April 2020

The Group allocates exposure from finance lease receivables and loans to third parties to a credit risk grade based on data that is determined to be indicative of the risk of loss (including but not limited to external ratings if available, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned to external credit rating definitions from agencies such as Standards and Poor's.

An ECL rate is calculated for each receivable based on probabilities of default and loss given default. 12-month and lifetime probabilities of default are based on historical data supplied by Standard and Poor's and Moody's for each credit rating. The Group monitors changes in credit risk by tracking published external credit ratings and taking into consideration forward-looking information based on industry forecast in the countries of operation.

The following table provides information about the exposure to credit risk and ECLs for receivables with credit ratings (or equivalent):

Table A

The Group	Weighted average loss rate %	Not credit impaired – 12-month ECL $'000	Credit impaired – lifetime ECL $'000	Gross carrying amount $'000	Total loss allowance $'000	Net $'000
At 30 April 2020						
AA	**0.01**	**35,391**	**–**	**35,391**	**(3)**	**35,388**
BB	**0.53**	**14,277**	**–**	**14,277**	**(76)**	**14,201**
CCC	**25.28**	**18,446**	**–**	**18,446**	**(4,664)**	**13,782**
D	**94.62**	**3,200**	**42,244**	**45,444**	**(43,000)**	**2,444**
Total gross carrying amount		**71,314**	**42,244**	**113,558**	**(47,743)**	**65,815**
Loss allowance		**(5,499)**	**(42,244)**			
		65,815	**–**			

The Group	Weighted average loss rate %	Not credit impaired – 12-month ECL $'000 (Restated)	Credit impaired – lifetime ECL $'000	Gross carrying amount $'000 (Restated)	Total loss allowance $'000 (Restated)	Net $'000 (Restated)
At 30 April 2019						
CCC	21.03	32,053	11,636	43,689	(9,188)	34,501
D	80.73	3,438	23,028	26,466	(21,367)	5,099
Total gross carrying amount		35,491	34,664	70,155	(30,555)	39,600
Loss allowance		(7,170)	(23,385)			
		28,321	11,279			

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

36 FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

Trade and other receivables (Continued)

Expected credit loss assessment for receivables with credit ratings (or equivalent) as at 30 April 2020 (Continued)

Table A

The Company	Weighted average loss rate %	Not credit impaired – 12-month ECL $'000	Credit impaired – lifetime ECL $'000	Gross carrying amount $'000	Total loss allowance $'000	Net $'000
At 30 April 2020						
AA	**0.00**	**90**	**–**	**90**	**–**	**90**
BB	**0.53**	**150,091**	**–**	**150,091**	**(796)**	**149,295**
CCC	**18.25**	**154,440**	**–**	**154,440**	**(28,186)**	**126,254**
D	**100.00**	**–**	**32,439**	**32,439**	**(32,439)**	**–**
Total gross carrying amount		**304,621**	**32,439**	**337,060**	**(61,421)**	**275,639**
Loss allowance		**(28,982)**	**(32,439)**			
		275,639	**–**			

The Company	Weighted average loss rate %	Not credit impaired – 12-month ECL $'000	Credit impaired – lifetime ECL $'000	Gross carrying amount $'000	Total loss allowance $'000	Net $'000
At 30 April 2019						
BB	11.18	309,889	52,660	362,549	(40,532)	322,017
CCC	18.36	11,972	–	11,972	(2,198)	9,774
D	91.24	97	5,895	5,992	(5,467)	525
Total gross carrying amount		321,958	58,555	380,513	(48,197)	332,316
Loss allowance		(3,964)	(44,233)			
		317,994	14,322			

Expected credit loss assessment for trade receivables

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – respective ageing categories based on two years historical data. The Group has assessed that the impact of forward-looking factors based on industry forecast in the countries of operation are not material.

The following table provides information about the exposure to credit risk and ECLs for trade receivables with no representative credit rating:

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

36 FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

Exposure to credit risk

The tables below detail the credit quality of the Group's financial assets and contract assets, as well as maximum exposure to credit risk by credit risk rating grades:

Table B

The Group	Weighted average loss rate %	Gross carrying amount $'000	Loss allowance $'000	Credit impaired
At 30 April 2020				
No credit terms	**0.00**	**1,388**	**–**	**No**
Current (not past due)	**0.03**	**11,495**	**(3)**	**No**
1 – 30 days past due	**0.25**	**6,929**	**(17)**	**No**
31 – 60 days past due	**0.54**	**2,795**	**(15)**	**No**
61 – 90 days past due	**0.69**	**1,304**	**(9)**	**No**
91 – 180 days past due	**5.95**	**924**	**(55)**	**No**
181 – 270 days past due	**37.65**	**85**	**(32)**	**No**
More than 270 days past due	**96.51**	**545**	**(526)**	**Yes**
		25,465	**(657)**	

The Group	Weighted average loss rate %	Gross carrying amount $'000	Loss allowance $'000	Credit impaired
At 30 April 2019				
No credit terms	0.00	986	–	No
Current (not past due)	0.07	12,227	(9)	No
1 – 30 days past due	0.08	7,079	(6)	No
31 – 60 days past due	0.28	3,223	(9)	No
61 – 90 days past due	0.40	755	(3)	No
91 – 180 days past due	2.30	1,132	(26)	No
181 – 270 days past due	24.67	227	(56)	No
More than 270 days past due	92.32	573	(529)	Yes
		26,202	(638)	

Loans to and non-trade amounts due from non-controlling interests

For loans to and non-trade amounts due from non-controlling interests of $18.2 million (2019 - $45.5 million), the Group has considered qualitative and quantitative factors that are indicative of the risk of default. This includes factors such as dividends to be paid out of the accumulated profits of the subsidiaries. Accordingly, impairment on the remaining balances has been measured on the 12-month expected credit loss basis and the amount of the allowance on these balances, after considering forward-looking information, is insignificant.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

36 **FINANCIAL RISK MANAGEMENT** (Continued)

Credit risk (Continued)

Other receivables, including interest receivable, loans to associates and non-trade amounts due from related parties and associates

For other receivables, impairment assessment on the loan extended to an associate and non-trade amounts due from related parties, third parties and associates of $57.8 million (2019 - $19.9 million) were based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, and available press information, if available, and applying experienced credit judgement).

During the current financial year, management has recorded an impairment loss of $6.2 million on the remaining loan due from third parties as the amounts were considered to be credit impaired as at the balance sheet date. Accordingly, impairment on the remaining balances has been measured on the 12-month expected credit loss basis and the amount of the allowance on these balances, after considering forward-looking information.

Guarantees

The Group's policy is to provide financial guarantees to all its subsidiaries' liabilities.

At 30 April 2020, the Company has issued a guarantee to certain banks in respect of credit facilities granted to its subsidiaries (see Note 33).

Derivatives

The derivatives are entered into with bank and financial institution counterparties, which are rated AA1, based on Moody's ratings.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of $61.9 million and $0.6 million respectively at 30 April 2020 (2019 - $44.2 million and $0.3 million). The cash and cash equivalents are held with bank and financial institution counterparties which are rated Ba3 to Aa1, based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Fair value of collaterals

At 30 April 2020, the fair value of shares accepted as collaterals that the Group is permitted to sell or repledge in the event of default by the Group's debtors was $22.5 million (2019 - $27.6 million). The fair values are determined based on the respective net assets in the latest available audited financial information. If the receivables are not paid in full by the debtors 30 days after the receipt of a demand by the Group, the Group may exercise the powers and rights of a mortgagee conferred by statute or otherwise sell or dispose of the collateral.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

36 FINANCIAL RISK MANAGEMENT (Continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

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:

	Note	The Group		The Company	
		2020	2019	**2020**	2019
		$'000	$'000	**$'000**	$'000
			(Restated)		
Fixed rate instruments					
Debt investments at FVTPL	11	**11,606**	–	**–**	–
Restricted fixed deposits		**69**	91	**–**	–
Finance lease receivables	13	**11,998**	12,062	**–**	–
Loans to subsidiaries	13(a)	**–**	–	**21,662**	27,141
Loan to an associate	13(b)	**31,139**	2,020	**–**	–
Loans to non-controlling interests	13(c)	**1,148**	1,151	**–**	–
Loans to third parties	13(d)	**6,400**	6,464	**–**	–
Deposits with banks	15	**12,795**	30,109	**–**	–
Bank loans	19	**(54,820)**	(112,840)	**(25,000)**	(72,840)
Notes payable	19	**(50,981)**	(90,912)	**(43,885)**	(65,753)
Lease liabilities (2019 - Finance lease liabilities)	19/20	**(134,293)**	(3,058)	**–**	–
Loan from subsidiaries	21(b)	**–**	–	**(51,845)**	(25,500)
Loans from a related party	21(d)/(i)	**(24,784)**	(3,332)	**–**	–
Loans from non-controlling interests	21(h)	**(300)**	(300)	**–**	–
Loan from a third party	21(j)	**–**	(400)	**–**	–
		(190,023)	(158,945)	**(99,068)**	(136,952)
Variable rate instruments					
Loans to subsidiaries	13(a)	**–**	–	**151,422**	183,522
Loan to an associate	13(b)	**7,874**	5,864	**–**	–
Bank loans	19	**(28,329)**	(123,423)	**–**	–
Loans from subsidiaries	21(b)	**–**	–	**(11,767)**	(22,352)
		(20,455)	(117,559)	**139,655**	161,170

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.

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For the financial year ended 30 April 2020

36 FINANCIAL RISK MANAGEMENT (Continued)

Interest rate risk (Continued)

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.

	The Group		The Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Profit after tax				
Variable rate instruments	**(170)**	(976)	**1,159**	1,337

There is no impact on equity.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

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:

The Group	USD	RMB	HKD	RM
	$'000	$'000	$'000	$'000
30 April 2020				
Other investments	**28,303**	**–**	**578**	**4**
Trade and other receivables	**30,942**	**301**	**106**	**2,571**
Cash and cash equivalents	**7,845**	**10**	**266**	**100**
Trade and other payables	**(32,310)**	**(173)**	**(13)**	**(13)**
Term loans	**(750)**	**–**	**–**	**–**
Finance lease liabilities	**(1,282)**	**–**	**–**	**–**
Net exposure	**32,748**	**138**	**937**	**2,662**
30 April 2019				
RCCPS in an associate	9,774	–	–	–
Other investments	28,047	–	–	6
Trade and other receivables	4,080	660	–	993
Cash and cash equivalents	3,695	10	–	142
Trade and other payables	(9,295)	–	–	(13)
Term loans	(16,881)	–	–	–
Net exposure	19,420	670	–	1,128

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For the financial year ended 30 April 2020

36 FINANCIAL RISK MANAGEMENT (Continued)

Currency risk (Continued)

The Company	USD $'000	RMB $'000	HKD $'000	RM $'000
30 April 2020				
Other investments	**28,303**	**–**	**–**	**–**
Trade and other receivables	**7,236**	**2,120**	**3**	**–**
Trade and other payables	**(155)**	**(422)**	**(5)**	**–**
Term loans	**–**	**–**	**–**	**–**
Net exposure	**35,384**	**1,698**	**(2)**	**–**
30 April 2019				
RCCPS in an associate	9,774	–	–	–
Other investments	28,047	–	–	–
Trade and other receivables	–	3,066	134	–
Trade and other payables	–	–	(4)	–
Term loans	(13,620)	–	–	–
Net exposure	24,201	3,066	130	–

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.

	The Group		**The Company**	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Profit after tax				
USD	**(2,718)**	(1,612)	**(2,937)**	(2,009)
RMB	**(11)**	(56)	**(141)**	(254)
HKD	**(78)**	–	**–**	(11)
RM	**(221)**	(94)	**–**	–

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 FVOCI or financial assets at fair value through profit or loss.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

36 FINANCIAL RISK MANAGEMENT (Continued)

Currency risk (Continued)

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:

	The Group		The Company	
	10% increase $'000	10% decrease $'000	10% increase $'000	10% decrease $'000
30 April 2020				
Profit after tax	**3,499**	**(3,980)**	**2,349**	**(2,830)**
30 April 2019				
Profit after tax	3,973	(4,543)	2,780	(3,350)
Equity	930	(1,121)	–	–

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices.

Market price risk arises from financial assets at fair value through profit or loss.

Market price sensitivity analysis

All of the Group's and the Company's quoted equity investments are classified as financial assets at fair value through profit or loss, a 5% increase in the value of the underlying equity investments at the reporting date would have increased the Group's and the Company's equity by $0.4 million after tax (2019 - $77,000 and $15,000 respectively). A 5% decrease in the value of the underlying equity investment would have had an equal but opposite effect.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

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 manages its liquidity where excess funds are equalised internally through intercompany accounts. Depending on specifics of each funding requirement, funding for its operating subsidiaries may be sourced directly from the Group's bankers or indirectly through the Company.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

36 FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk (Continued)

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

		Contractual undiscounted cash flows			
The Group	Carrying amount $'000	Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
As at 30 April 2020					
Non-derivative financial liabilities					
Finance lease liabilities	**(134,293)**	**(168,354)**	**(23,666)**	**(65,380)**	**(79,308)**
Term loans	**(83,149)**	**(94,416)**	**(34,648)**	**(41,898)**	**(17,870)**
Notes payable	**(50,981)**	**(52,576)**	**(52,576)**	**–**	**–**
Trade and other payables*	**(96,301)**	**(108,631)**	**(69,262)**	**(12,193)**	**(27,176)**
	(364,724)	**(423,977)**	**(180,152)**	**(119,471)**	**(124,354)**
As at 30 April 2019					
Derivative financial instruments					
Foreign exchange contracts	(21)	–	–	–	–
– Inflow	–	14,945	14,945	–	–
– Outflow	–	(14,966)	(14,966)	–	–
	(21)	(21)	(21)	–	–
Non-derivative financial liabilities					
Finance lease liabilities	(3,058)	(3,307)	(1,522)	(1,785)	–
Term loans	(236,263)	(249,677)	(183,120)	(47,549)	(19,008)
Notes payable	(90,912)	(99,013)	(30,531)	(68,482)	–
Trade and other payables*	(78,623)	(78,795)	(72,293)	(6,502)	–
	(408,856)	(430,792)	(287,466)	(124,318)	(19,008)
	(408,877)	(430,813)	(287,487)	(124,318)	(19,008)

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

36 FINANCIAL RISK MANAGEMENT (Continued)

Liquidity risk (Continued)

		Contractual undiscounted cash flows			
The Company	Carrying amount $'000	Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
As at 30 April 2020					
Non-derivative financial liabilities					
Term loans	**(25,000)**	**(25,212)**	**(25,212)**	**–**	**–**
Notes payable	**(43,885)**	**(45,465)**	**(45,465)**	**–**	**–**
Trade and other payables*	**(82,808)**	**(85,843)**	**(17,010)**	**(68,833)**	**–**
	(151,693)	**(156,520)**	**(87,687)**	**(68,833)**	**–**
As at 30 April 2019					
Derivative financial instruments					
Foreign exchange contracts	(21)	–	–	–	–
– Inflow	–	14,945	14,945	–	–
– Outflow	–	(14,966)	(14,966)	–	–
	(21)	(21)	(21)	–	–
Non-derivative financial liabilities					
Term loans	(72,840)	(73,765)	(73,765)	–	–
Notes payable	(65,753)	(73,446)	(4,964)	(68,482)	–
Trade and other payables*	(77,386)	(78,519)	(47,643)	(30,876)	–
Intra-group financial guarantees	–	(144,841)	(107,839)	(37,002)	–
	(215,979)	(370,571)	(234,211)	(136,360)	–
	(216,000)	(370,592)	(234,232)	(136,360)	–

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

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

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

37 FAIR VALUE MEASUREMENT

<u>Definition of fair value</u>

SFRS(I)s define fair value as 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.

Fair value hierarchy

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

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

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 April 2020				
<u>Financial assets</u>				
Financial assets at fair value through profit or loss (Note 11)	**13,856**	**28,303**	**–**	**42,159**
30 April 2019				
<u>Financial assets</u>				
Financial assets at fair value through profit or loss (Note 11)	19,825	28,047	–	47,872
Financial assets at FVOCI (Note 11)	11,205	–	–	11,205
<u>Financial liabilities</u>				
Financial liabilities measured at fair value (Note 21)	–	21	–	21

The Company	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 April 2020				
<u>Financial assets</u>				
Financial assets at fair value through profit or loss (Note 11)	**–**	**28,303**	**–**	**28,303**
30 April 2019				
<u>Financial assets</u>				
Financial assets at fair value through profit or loss (Note 11)	5,451	28,047	–	33,498
<u>Financial liabilities</u>				
Financial liabilities measured at fair value (Note 21)	–	21	–	21

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

37 FAIR VALUE MEASUREMENT (Continued)

Fair value hierarchy (Continued)

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis:

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 April 2020				
Investment properties (Note 8)	**–**	**–**	**143,101**	**143,101**
30 April 2019				
Investment properties (Note 8)	–	–	147,539	147,539

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.

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, lease liabilities 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.

The Group and The Company	**2020** **%**	2019 %
Loans and borrowings	**1.83 – 7.50**	2.87 – 7.50
Lease liabilities (2019 - finance lease liabilities)	**1.58 – 4.93**	1.25 – 4.90

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.

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For the financial year ended 30 April 2020

37 FAIR VALUE MEASUREMENT (Continued)

Assets and liabilities measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
The 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: 6.20% (2019 - 6.13%) • Rental rates: \$37 to \$121 (2019 - \$48 to \$108) 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 \$2,057 to \$3,482 (2019 - \$3,047 to \$4,228) 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

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.

The Group	**Profit before tax**	
	\$'000	\$'000
30 April 2020		
Investment properties		
– Discount rate (1% increase)/1% decrease	**(11,365)**	**11,365**
– Rental rates 5% increase/(5% decrease)	**4,984**	**(4,984)**
– Comparable prices 5% increase/(5% decrease)	**2,527**	**(2,527)**
30 April 2019		
Investment properties		
– Discount rate (1% increase)/1% decrease	(11,789)	11,789
– Rental rates 5% increase/(5% decrease)	5,523	(5,523)
– Comparable prices 5% increase/(5% decrease)	3,060	(3,060)

Level 3: Fair value measurements

The reconciliation of the carrying amounts of non-financial assets related to investment properties classified within Level 3 is disclosed in Note 8.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

38 DISPOSAL OF SUBSIDIARIES

Disposal in FY2020

(a) Chemode Global Pte Ltd

In April 2020, the Group struck-off its 80.0% owned subsidiary, Chemode Global Pte. Ltd.

Details are as follows:

Effect of disposal on the financial position of the Group:

	2020 **$'000**
Cash and cash equivalents	**(100)**
Net assets and liabilities	**(100)**
Less: Group's share of cash and cash equivalent retained	**80**
Net cash outflow	**(20)**

(b) Sabana Investment Partners Pte Ltd ("SIPPL")

On 22 May 2019, the Group announced the proposed disposal of 51% of the entire issued and paid-up capital in SIPPL and its subsidiaries, Sabana Real Estate Investment Management Pte. Ltd. and Sabana Property Management Pte. Ltd. ("SIPPL Group"), within the Financial Services segment to an unrelated party for an aggregated consideration of $20.5 million for the sale of the shares in SIPPL and an adjustment sum of approximately $1.7 million based on 51% of the net cash of SIPPL Group.

As at 30 April 2019, the assets and liabilities of SIPPL Group had been classified as "assets held-for-sale" and "liabilities directly associated with the assets held-for-sale" as SIPPL Group was available for immediate sale in their present condition and its sale was highly probable. The sale was subsequently completed on 28 June 2019 and the Group recorded a gain on disposal of approximately $16.75 million in the consolidated statement of comprehensive income.

Details of the disposal are as follows:

Effect of disposal on the financial position of the SIPPL Group:

	2020 **$'000**
Property, plant and equipment	**19**
Right-of-use assets	**383**
Trade and other receivables	**1,940**
Financial assets at FVOCI	**4,842**
Assets held for distribution	**13,923**
Cash and cash equivalents	**4,761**
Trade and other payables	**(15,096)**
Lease liability	**(385)**
Deferred tax	**(4)**
Current tax payable	**(656)**
Net assets and liabilities	**9,727**
Share of the Group's net assets in SIPPL Group disposed of, at 51%	**(4,961)**
Goodwill on acquisition (Note 7)	**(472)**
	(5,433)
Consideration received	**22,183**
Gain on disposal recognised in the consolidated statement of comprehensive income	**16,750**
Consideration received, satisfied in cash	**22,183**
Cash and cash equivalents disposed of	**(4,761)**
Cash consideration received	**17,422**

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

38 DISPOSAL OF SUBSIDIARIES

Disposal in FY2019

(c) Master Development (Jiangyin) Co., Ltd

In December 2018, the Group disposed its 36% owned subsidiary, Master Development (Jiangyin) Co., Ltd. Details of the disposal are as follows:

Effect of disposal on the financial position of the Group:

	2019 $'000
Property, plant and equipment	(465)
Development properties	(32,194)
Trade and other receivables	(17,083)
Cash and cash equivalents	(7,704)
Trade and other payables	47,094
Current tax payable	653
Net assets and liabilities	(9,699)
Consideration received, satisfied in cash	6,698
Cash and cash equivalents disposed of	(7,704)
Net cash outflow	(1,006)

(d) DP-Master-Vibrant (Jiangyin) Real Estate Development Co., Ltd.

In February 2019, the Group disposed its 36% owned subsidiary, DP-Master-Vibrant (Jiangyin) Real Estate Development Co., Ltd. Details of the disposal are as follows:

Effect of disposal on the financial position of the Group:

	2019 $'000
Property, plant and equipment	(2)
Trade and other receivables	(70,157)
Cash and cash equivalents	(1,920)
Trade and other payables	20,335
Deferred tax	4,072
Net assets and liabilities	(47,672)
Consideration received, satisfied in cash	28,482
Cash and cash equivalents disposed of	(1,920)
Cash consideration received	26,562

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

39 NON-CONTROLLING INTERESTS

The following Group's subsidiaries have non-controlling interests:

Name of subsidiaries	Country of incorporation/ principal place of business	Operating segment	Ownership interests held by non-controlling interests	
			2020	2019
			%	%
Fervent Industrial Development (Suzhou) Co., Ltd ("FIDSC")	People's Republic of China	Real estate	**52**	52
Freight Links (Jiangsu) Co., Ltd	People's Republic of China	Freight and logistics	**34.5**	34.5
Freight Links Express (Thailand) Co., Ltd	Thailand	Freight and logistics	**51**	51
Glory Capital Pte Ltd ("GCPL")	Singapore	Financial services	**35**	35
Lee Thong Hung Trading & Transport Sdn Bhd ("LTHM")(1)	Malaysia	Freight and logistics	**–**	49.2
LTH Logistics (Singapore) Pte Ltd ("LTH")(1)	Singapore	Freight and logistics	**–**	49
Saujana Tiasa Sdn Bhd ("STSB")	Malaysia	Real estate	**50**	50
Sabana Investment Partners Pte. Ltd. ("SIP")(2)	Singapore	Financial services	**–**	49
Sabana Real Estate Investment Management Pte. Ltd. ("SREIM")(2)	Singapore	Financial services	**–**	49
Sabana Property Management Pte. Ltd.	Singapore	Real estate	**–**	49
Shentoncil Pte. Ltd. ("Shentoncil")(1)	Singapore	Real estate	**–**	49
Sinolink Financial Leasing Co., Ltd ("Sinolink")	People's Republic of China	Financial services	**49**	49
Vibrant DB2 Pte. Ltd. ("Vibrant DB2")	Singapore	Real estate	**49**	49
Vibrant Properties Pte Ltd	Singapore	Real estate	**40**	40

(1) The entities become wholly-owned subsidiaries of the Group, following the acquisition of the remaining 49% equity interests from non-controlling interests. See Note 9(A) and 9(B)

(2) Disposed of during the year. See Note 38(b)

NOTES TO THE **FINANCIAL STATEMENTS**
For the financial year ended 30 April 2020

39 NON-CONTROLLING INTERESTS (Continued)

The following summarised financial information of each of the Group's subsidiaries with material NCI, based on their respective financial statements prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

The Group	FIDSC $'000	STSB $'000	Other individually immaterial subsidiaries $'000	Intra-group eliminations $'000	Total $'000
30 April 2020					
Revenue	**5,718**	**–**			
Profit/(loss) after tax	**2,682**	**(9,078)**			
Other comprehensive income	**(395)**	**–**			
Total comprehensive income	**2,287**	**(9,078)**			
Attributable to non-controlling interests:					
– Profit/(loss) after tax	**1,395**	**(4,539)**	**(3,697)**	**17,279**	**10,438**
– Other comprehensive income	**(205)**	**–**	**(208)**	**(451)**	**(864)**
Total comprehensive income	**1,190**	**(4,539)**	**(3,905)**	**16,828**	**9,574**
Non-current assets	**92,230**	**51,168**			
Current assets	**3,325**	**47**			
Non-current liabilities	**(26,335)**	**(880)**			
Current liabilities	**(21,119)**	**(46,732)**			
Net assets	**48,101**	**3,603**			
Net assets attributable to non-controlling interests	**25,012**	**1,801**	**17,258**	**(31,594)**	**12,477**
Cash flows from operating activities	**4,094**	**(102)**			
Cash flows from investing activities	**(3,405)**	**–**			
Cash flows from financing activities (dividends to non-controlling interests: $nil)	**(857)**	**–**			
Net decrease in cash and cash equivalents	**(168)**	**(102)**			

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39 **NON-CONTROLLING INTERESTS** (Continued)

The Group	LTH $'000	LTHM* $'000	SIP* $'000	SREIM $'000	GCPL $'000	Sinolink $'000 (Restated)	FIDSC $'000	STSB $'000	Vibrant DB2 $'000	Shentoncil $'000	Other individually immaterial subsidiaries $'000	Intra-group eliminations $'000	Total $'000 (Restated)
30 April 2019													
Revenue	48,007	16,224	–	5,252	647	3,580	3,094	–	–	–			
Profit/(loss) after tax	(824)	(94)	12,727	3,228	387	1,414	11,377	(8,570)	30,336	(192)			
Other comprehensive income	–	12	–	(342)	–	(549)	(763)	(508)	–	–			
Total comprehensive income	(824)	(82)	12,727	2,886	387	865	10,614	(9,078)	30,336	(192)			
Attributable to non-controlling interests:													
– Profit/(loss) after tax	(404)	(46)	6,236	1,582	136	692	5,916	(4,285)	14,865	(94)	1,756	(13,299)	13,055
– Other comprehensive income	–	6	–	(168)	–	(268)	(397)	(254)	–	–	(161)	(1,397)	(2,639)
Total comprehensive income	(404)	(40)	6,236	1,414	136	424	5,519	(4,539)	14,865	(94)	1,595	(14,696)	10,416
Non-current assets	4,799	6,449	1,000	4,587	–	14,677	86,421	61,194	–	9,151			
Current assets	152,232	4,383	12,752	17,961	10,827	20,062	5,199	36	59,669	6,178			
Non-current liabilities	(28,743)	(1,499)	–	–	–	(224)	(26,262)	(1,870)	–	–			
Current liabilities	(123,491)	(9,869)	(12,715)	(13,862)	(73)	(17,089)	(20,092)	(46,680)	(6)	(4,362)			
Net assets	4,797	(536)	1,037	8,686	10,754	17,426	45,266	12,680	59,663	10,967			
Net assets attributable to non-controlling interests	2,350	(264)	508	4,256	3,764	8,539	23,538	6,340	29,235	5,374	8,389	(18,519)	73,510
Cash flows from operating activities	5,198	1,985	(16)	2,674	405	9,431	3,810	–	(5)	(5)			
Cash flows from investing activities	320	(454)	50	1,509	6,220	(8,180)	(16,684)	–	–	(1,950)			
Cash flows from financing activities (dividends to non-controlling interests: $nil)	(6,187)	(1,253)	–	(1,960)	(6,632)	(439)	14,197	–	–	1,950			
Net increase/(decrease) in cash and cash equivalents	(669)	278	34	2,223	(7)	812	1,323	–	(5)	(5)			

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

40 PRIOR YEAR ADJUSTMENTS

(i) Effects of principal vs agency arrangements

A subsidiary within the Group's financial service segment derives revenue from management services and fee income. Since FY2018, the subsidiary has been assisting a third party to recover the loans previously extended to the third party's customers and earns a commission in return for the services rendered. The subsidiary's management has been recording the gross receivables due from those customers and a corresponding payable to the third party in its books for the service rendered. The Group has been recording impairment losses on the amounts due from those customers based on the expected credit loss model in accordance with the accounting standards.

During the current financial year, the subsidiary's management noted that they were merely an agent to the whole arrangement, and they do not assume any credit risk, nor the ownership of the receivables owed by the third party's customers.

Management corrected the material prior period's error identified above retrospectively by restating the comparative amounts for the prior period's statement of comprehensive income in accordance with SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The prior year adjustment, to the extent that they are applied retrospectively, have the following impact:

	As reported $'000	Prior year adjustments $'000	As restated $'000
Statement of financial position			
At 1 May 2018			
Deferred tax assets	4,629	823	5,452
Trade and other receivables (non-current)	54,167	1,345	55,512
Trade and other receivables (current)	151,521	(16,365)	135,156
Trade and other payables (non-current)	(39,868)	15,899	(23,969)
Trade and other payables (current)	(250,379)	290	(250,089)
Current tax payables	(9,118)	337	(8,781)
Reserves	(9,113)	20	(9,093)
Retained earnings	(18,130)	(1,207)	(19,337)
Non-controlling interests	(90,383)	(1,142)	(91,525)
At 30 April 2019			
Deferred tax assets	4,080	950	5,030
Trade and other receivables (current)	113,823	(10,747)	103,076
Trade and other payables (non-current)	(19,053)	11,140	(7,913)
Trade and other payables (current)	(74,162)	890	(73,272)
Current tax payables	(8,299)	321	(7,978)
Reserves	(4,924)	(27)	(4,951)
Retained earnings	(25,820)	(1,275)	(27,095)
Non-controlling interests	(72,258)	(1,252)	(73,510)
Consolidated statement of comprehensive income			
Impairment losses recognised on trade receivables	1,202	18	1,220
Income tax expense	8,324	(151)	8,173
Effects on net profit after tax for the financial year ended 30 April 2019		133	
Profit for the year attributable to:			
– Owners of the Company	7,690	68	7,758
– Non-controlling interests	12,990	65	13,055
Foreign currency translation differences	(5,001)	92	(4,909)
Total comprehensive income attributable to:			
– Owners of the company	3,546	115	3,661
– Non-controlling interests	10,306	110	10,416

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 30 April 2020

40 PRIOR YEAR ADJUSTMENTS (Continued)

(ii) Effects on Assets held-for-sale classification

As set out in Notes 6 and Note 16 to the financial statements, the Group entered into a conditional put and call option with SGRE for the sale and leaseback of the Property. The Property, including the related mechanical and electrical equipment with a carrying amount of $119.7 million was classified as asset held-for-sale as the assets were available for immediate sale in their present condition and the sale was highly probable as at 30 April 2019.

During the current financial year, management noted that the carrying amount of the Property at the point of reclassification to "asset held-for-sale" was overstated. Accordingly, a prior year reclassification amounting to approximately $3 million on the gross cost and $0.6 million on the related accumulated depreciation on the said Property and other related assets in "property, plant and equipment" have been reclassified to "asset held-for-sale" as at 30 April 2019.

	As reported $'000	Prior year adjustments $'000	As restated $'000
Statement of financial position			
At 30 April 2019			
Property, plant and equipment	127,730	2,397	130,127
Assets held-for-sale	143,943	(2,397)	141,546

(iii) As disclosed in Section 3.5(e), management has changed the basis used for estimating the future operating lease commitments by $46 million.

SHAREHOLDERS' INFORMATION

As at 19 August 2020

Issued and fully paid	697,951,877 ordinary shares
Issued and fully paid (excluding treasury shares)	692,491,317 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	555	5.20	21,167	0.00
100 – 1,000	2,899	27.19	1,864,975	0.27
1,001 – 10,000	5,088	47.72	19,080,543	2.75
10,001 – 1,000,000	2,089	19.59	119,633,776	17.28
1,000,001 – above	32	0.30	551,890,856	79.70
Grand Total	**10,663**	**100.00**	**692,491,317**	**100.00**

PERCENTAGE OF SHAREHOLDING HELD BY THE PUBLIC

The percentage of shareholding held by the public is approximately **42.08%**. 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	DBS Nominees Pte Ltd	209,732,409	30.29
2	Vibrant Capital Pte Ltd	160,244,529	23.14
3	Hong Leong Finance Nominees Pte Ltd	55,115,909	7.96
4	Wang Yixin	26,000,000	3.75
5	United Overseas Bank Nominees Pte Ltd	17,878,367	2.58
6	Citibank Nominees Singapore Pte Ltd	12,890,677	1.86
7	Teo Kee Bock	10,000,000	1.44
8	Raffles Nominees (Pte) Limited	7,591,764	1.10
9	Maybank Kim Eng Securities Pte. Ltd	6,075,270	0.88
10	CGS-CIMB Securities (Singapore) Pte Ltd	4,971,937	0.72
11	OCBC Nominees Singapore Pte Ltd	4,694,246	0.68
12	Phillip Securities Pte Ltd	4,151,773	0.60
13	Lee Kim Heok	3,068,419	0.44
14	Tan Soon Hoe	2,828,992	0.41
15	Goh Ah Tee @ Goh Hui Chua	2,363,538	0.34
16	iFAST Financial Pte Ltd	2,262,987	0.33
17	UOB Kay Hian Pte Ltd	2,239,927	0.32
18	Tan Su Lan @ Tan Soo Lung	1,944,000	0.28
19	Chia Chiah Hak	1,780,000	0.26
20	Tan Chong Meng	1,699,757	0.25
	Total	**537,534,501**	**77.63**

SHAREHOLDERS' INFORMATION

As at 19 August 2020

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	65,635,656	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

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.

ADDITIONAL **INFORMATION**

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Derek Loh Eu Tse	Francis Lee Fook Wah
Date of appointment	5 November 2003	1 September 2020
Date of last re-appointment	31 August 2017	Not applicable
Age	53	54
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the qualification, contribution and performance, attendance, preparedness and suitability of Mr Derek Loh Eu Tse for re-appointment as an Independent Non-Executive Director of the Company. The Board has reviewed and concluded that Mr Derek Loh Eu Tse possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Nominating Committee considered that there was a need to appoint another executive director to assist the CEO in the operations and management of the Group, particularly given the need of the Group to restructure against the challenging economic environment presented by the COVID-19 pandemic. The Board of Directors of the Company has considered the recommendation of the Nominating Committee, and having assessed Mr Lee's prior working experience and qualifications, is of the view that he has requisite experiences and capabilities to assume the responsibility as Executive Director of the Company, on top of his role as the Chief Financial Officer.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive He is responsible for the overall management of the Group, matters relating to the regulatory compliance and reporting, and oversee the Group's human resource matters.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman of the Nominating Committee and Remuneration Committee	1. Executive Director 2. Chief Financial Officer
Professional qualifications	Bachelor of Arts Degree (Law) (Honours) from the University of Cambridge	Bachelor's Degree in Accountancy from National University of Singapore Master's Degree in Business Administration (Investment & Finance) from The University of Hull, United Kingdom Chartered Accountant and a non-practising member of the Institute of Singapore Chartered Accountants
Working experience and occupation(s) during the past 10 years	Practising lawyer for the last 26+ years, Advocate and Solicitor of the Supreme Court of Singapore. Independent Director for companies listed in Singapore, London and Hong Kong.	1. April 2019 to Present – Vibrant Group Limited, CFO 2. October 2014 to March 2015 – OKH Global Ltd, Advisor to CEO 3. March 2015 to December 2017 – OKH Global Ltd, CFO 4. July 2005 to January 2011 – Man Wah Holdings Ltd, CFO and Finance Executive Director

ADDITIONAL **INFORMATION**

Name of Director	Derek Loh Eu Tse	Francis Lee Fook Wah
Shareholding interest in the listed issuer and its subsidiaries	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

ADDITIONAL **INFORMATION**

Name of Director	Derek Loh Eu Tse	Francis Lee Fook Wah
Other Principal Commitments Including Directorships		
Past (for the last 5 years)	Director of: 1. Metech International Limited	Director of: 1. JES International Holdings Limited 2. Metech International Limited 3. Freight Links Co., Ltd
Present	Director of: 1. Adventus Holdings Limited 2. DISA Limited 3. Vietnam Enterprise Investments Limited 4. Federal International (2000) Limited 5. K2 F&B Holdings Limited 6. St Joseph's Institution International Ltd 7. St Joseph's Institution International Elementary School Ltd 8. TSMP Law Corporation Trustee of: 1. St Joseph's Institution Foundation For The Lasallian Mission Ltd	Director of: 1. Sheng Siong Group Limited 2. Net Pacific Financial Holdings Limited 3. Asiaphos Limited 4. Figtree Holdings Limited 5. Wise Alliance Investments Limited 6. Freight Links Express Pte Ltd 7. Crystal Freight Services Pte Ltd 8. Vibrant Megatrade Pte Ltd 9. Freight Links Logistics Pte Ltd 10. Freight Links Express Logisticentre Pte Ltd 11. Freight Links Express Logisticpark Pte Ltd 12. Crystal Freight Services Distripark Pte Ltd 13. Freight Links Properties Pte Ltd 14. Freight Links E-Logistics Technopark Pte Ltd 15. LTH Logistics (Singapore) Pte Ltd 16. Blackgold Megatrade Pte Ltd 17. Celestine Management Private Limited 18. Singapore Enterprises Private Limited 19. Glory Capital Pte Ltd 20. Vibrant Properties Pte Ltd 21. Fervent III Developments Pte Ltd 22. Shentoncil Pte Ltd 23. Vibrant DB2 Pte Ltd 24. Sinolink Financial Leasing Co., Ltd 25. Sinolink Finance International Limited 26. Fervent Industrial Development (Suzhou) Co., Ltd 27. Tengda Industrial Property (Suzhou) Co., Ltd 28. Vibrant Land Pte Ltd 29. Fervent IV Development Pte Ltd 30. Fervent Industrial Development (Ningbo) Co., Ltd 31. Fervent V Development Pte Ltd 32. Fervent Logistics Infrastructure (Changzhou) Co., Ltd 33. Ececil Pte Ltd 34. Saujana Tiasa Sdn Bhd 35. Vibrant Pucheng Logistics (Chongqing) Co., Ltd 36. Vibrant Pucheng Property Management (Chongqing) Co., Ltd 37. Vibrant Pucheng Enterprise Management (Chongqing) Co., Ltd 38. Vibrant International Freight Forwarding (Chongqing) Co., Ltd 39. Vibrant Pucheng Pte Ltd 40. Freight Links M&S (H.K.) Ltd 41. Lee Thong Hung Trading & Transport Sdn Bhd 42. Sentosa Capital Pte Ltd 43. Vibrant Pucheng Investment Ptd Ltd 44. Freight Links Express International Co., Ltd

ADDITIONAL **INFORMATION**

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
Name of Director	**Derek Loh Eu Tse**	**Francis Lee Fook Wah**
a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c. Whether there is any unsatisfied judgment against him?	No	No
d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

ADDITIONAL **INFORMATION**

Name of Director	Derek Loh Eu Tse	Francis Lee Fook Wah
e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

ADDITIONAL **INFORMATION**

Name of Director	Derek Loh Eu Tse	Francis Lee Fook Wah
j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes Mr Loh was a director of Flextech Holdings Ltd (now known as Dragon Group International Limited ("DGIL")) from 2003 until 2010 when he resigned. A few years following Mr Loh's resignation, DGIL and its board of directors both present and past (including Mr Loh) were called for questioning by CAD in respect of a technical non-compliance of the Companies Act for a transaction during the period when Mr Loh served on DGIL's board. As it involved no dishonesty or fraud on the part of the Board and there was full disclosures made and external independent professionals appointed for the transaction in question, no charges were proceeded with and the relevant Board members (including Mr Loh) who instead received warning from CAD in relation to the incident.	Yes He was the manager of a corporation investigated by the CAD for a breach of regulatory requirements/laws governing corporations in Singapore. To the best of his knowledge and as far as he is aware, the investigations involved or were related to certain directors of the corporation and not himself.
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

ADDITIONAL **INFORMATION**

Name of Director	Derek Loh Eu Tse	Francis Lee Fook Wah
k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	Yes Mr Loh was a director of Flextech Holdings Ltd (now known as Dragon Group International Limited ("DGIL")) from 2003 until 2010 when he resigned. A few years following Mr Loh's resignation, DGIL and its board of directors both present and past (including Mr Loh) were called for questioning by CAD in respect of a technical non-compliance of the Companies Act for a transaction during the period when Mr Loh served on DGIL's board. As it involved no dishonesty or fraud on the part of the Board and there was full disclosures made and external independent professionals appointed for the transaction in question, no charges were proceeded with and the relevant Board members (including Mr Loh) who instead received warning from CAD in relation to the incident.	No
Disclosure applicable to the appointment of Director Only		
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable	Not applicable

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Vibrant Group Limited (the "**Company**") will be convened and held by electronic means on Friday, 25 September 2020 at 10:00 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 2020 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the Directors' Fees of up to S$190,000 for the financial year ending 30 April 2021, such fees to be paid quarterly in arrears. **(Resolution 2)**

3. To re-elect Mr. Derek Loh Eu Tse retiring under Regulation 94 of the Company's Constitution. **(Resolution 3)**

   (Note: Subject to his re-election, Mr. Derek Loh Eu Tse shall remain as an Independent Non-Executive Director and a Chairman of the Remuneration and Nominating Committees and member of Audit Committee.)

4. To re-elect Mr. Francis Lee Fook Wah retiring under Regulation 76 of the Company's Constitution. **(Resolution 4)**

5. To re-appoint Foo Kon Tan 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,

NOTICE OF **ANNUAL GENERAL MEETING**

provided that:

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

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

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

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

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

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

NOTICE OF **ANNUAL GENERAL MEETING**

(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;

"**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

Noraini Binte Noor Mohamed Abdul Latiff
Company Secretary

Singapore, 9 September 2020

NOTICE OF **ANNUAL GENERAL 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 9 September 2020 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.

MEASURES TO MINIMISE RISK OF COMMUNITY SPREAD OF COVID-19

Alternative arrangements to hold general meetings

1. The COVID-19 (Temporary Measures) Act that was passed by Parliament on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 issued by the Minister of Law on 13 April 2020 (as amended from time to time) provide legal certainty such that issuers are able to make alternative arrangements to hold general meetings where personal attendance is required under written law or legal instruments (such as a company's constitution). A joint statement was also issued by the Monetary Authority of Singapore, the Accounting and Corporate Regulatory Authority and the Singapore Exchange Regulation on 13 April 2020 to provide guidance on the conduct of general meetings during the period when elevated safe distancing measures are in place. As such, the Annual General Meeting ("**AGM**") of the Company will be held by way of electronic means and shareholders will NOT be allowed to attend the AGM in person. This Notice, Proxy Form, Pre-Registration Form and Request Form will be available to members by electronic means via publication on the SGXNet at https://www.sgx.com/securities/company-announcements and https://sg.conveneagm.com/vibrantagm2020.

2. Alternative arrangements are instead put in place to allow shareholders to participate in the AGM by: (a) observing and listening to the AGM proceedings via a live streaming. Shareholders who wish to participate as such will have to pre-register in the manner outlined in paragraphs 3 and 4 below; (b) voting by proxy at the AGM in the manner outlined in paragraphs 7 to 10 below; and (c) submitting questions prior to the date of the AGM in the manner outlined in paragraphs 11 to 15 below.

Participate in the AGM via live streaming

3. All shareholders or their corporate representatives (in the case of corporate shareholders) will be able to observe and listen to the AGM proceedings through a live streaming via their mobile phones, tablets or computers upon pre-registration. All completed pre-registration forms must be submitted to the Company no later than 10:00 a.m. on 22 September 2020 via registration URL https://sg.conveneagm.com/vibrantagm2020.

4. Upon successful pre-registration, each such shareholder or its corporate representative will receive an email from agmaccounts@conveneagm.com. The email will contain a link to access the live streaming of the AGM proceedings, together with the relevant log in details and instructions. Shareholders (or corporate representatives) who do not receive an email by 10:30 a.m. on 22 September 2020, but have pre-registered in accordance with paragraph 3 above should email the Company at corporate@vibrant.com.sg.

5. Shareholders are reminded that the AGM proceedings are private. Instructions on access to the live streaming of the AGM proceedings should therefore not be shared with anyone who is not a shareholder of the Company or otherwise not authorised to attend the AGM. Recording of the live streaming in whatever form is also strictly prohibited.

6. Shareholders will not be able to vote through the live streaming and can only vote with their proxy forms which are required to be submitted in advance.

NOTICE OF **ANNUAL GENERAL MEETING**

Voting by proxy

7. The only way for Shareholders to exercise their voting rights at the AGM is via proxy voting. Shareholders would have to submit the attached proxy form to the Company in accordance with the instructions set out in such proxy form and appoint "Chairman of the Meeting" as their proxy. All votes in the AGM will be taken on a poll.

8. Shareholders (whether individuals or corporates) appointing the "Chairman of the Meeting" as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the proxy form, failing which the appointment and votes will be treated as invalid.

9. The proxy form must be received by the Company no later than 10:00 a.m. on 22 September 2020 (being seventy-two (72) hours before the time appointed for the AGM) by submitting the proxy form to the following:

   via the https://sg.conveneagm.com/vibrantagm2020 (the "**VGL AGM Website**") in the electronic format accessible on the VGL AGM Website.

   or

   Mailing address:
   VIBRANT GROUP LIMITED
   51 Penjuru Road #04-00,
   Freight Links Express Logisticentre,
   Singapore 609143

10. Shareholders who hold their shares through relevant intermediaries and who wish to exercise their votes by appointing the "Chairman of the Meeting" as proxy should approach their respective relevant intermediaries (including their respective CPF Agent Banks or SRS Approved Banks) to submit their voting instructions by 5:00 p.m. on 16 September 2020.

Submission of questions prior to AGM

11. Shareholders may submit in advance any questions they wish for the Company to consider addressing during the live streaming of the AGM proceedings by submitting such questions via https://sg.conveneagm.com/vibrantagm2020.

12. All questions must be received by the Company no later than 10:00 a.m. on 22 September 2020. Shareholders are also reminded to provide their full names and identification numbers when submitting the questions, along with their email addresses and mobile contact numbers.

13. Please note that shareholders will not be able to ask questions during the live streaming of the AGM and accordingly, it is important for shareholders to submit their questions by the deadline in paragraph 12.

14. Due to the time limit of the AGM, the Company's Board of Directors shall only address substantial and relevant questions (as may be determined by the Company in its sole discretion) received from shareholders prior to the date of the AGM.

15. The Company will publish the minutes of the AGM on SGXNet and the Company's website within one month after the date of AGM, including responses from the Board and Management in relation to substantial and relevant questions from shareholders relating to the resolutions to be tabled for approval at the AGM.

Notes:

(1) A member of the Company who is entitled to attend and vote at the AGM is entitled to appoint the "Chairman of the Meeting" as a proxy to vote in his/her stead.

(2) The instrument appointing the "Chairman of the Meeting" as proxy must be duly sent to the Company's registered office by mail or via VGL AGM Website (see paragraph 9 above for the address and VGL AGM Website) not less than seventy-two (72) hours before the time appointed for holding the AGM of the Company.

NOTICE OF **ANNUAL GENERAL MEETING**

PERSONAL DATA PRIVACY

By (a) submitting the pre-registration form in accordance with paragraph 3 and 4 of section "Measures to Minimise Risk of Community Spread of COVID-19" (the "**COVID-19 Notice**") above, or (b) submitting an instrument appointing the "Chairman of the Meeting" as proxy to vote at the AGM and/or any adjournment thereof in accordance with paragraphs 7 to 10 of the COVID-19 Notice or (c) submitting any question prior to the AGM in accordance with paragraphs 11 to 15 of the COVID-19 Notice above, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purposes of:

(i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the "Chairman of the Meeting" as proxy for the AGM (including any adjournment thereof);

(ii) processing the pre-registration forms for purposes of granting access to members (or their corporate representatives in the case of members who are corporate entities) to view the live streaming of the AGM proceedings and providing viewers with any technical assistance where necessary;

(iii) addressing selected questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;

(iv) the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines. The Company will continue to comply with precautionary measures recommended and imposed by the authorities and will make further announcement should there be further changes to the AGM arrangements.

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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
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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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51 Penjuru Road #03-00
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Fax : (65) 6262 6928
E-Mail : logistics@freightlinks.net

Hub & Port Services Pte Ltd
51 Penjuru Road #04-00
Freight Links Express Logisticentre
Singapore 609143
Tel : (65) 6970 8651
Fax : (65) 6261 3316

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

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Singapore 609200
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Fax : (65) 6262 6928

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

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

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

DOCUMENTS MANAGEMENT SERVICES

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

CHEMICAL STORAGE AND LOGISTICS

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

OVERSEAS OFFICES

CHINA

New Vibrant (Jiangsu) Supply Chain Management Co., Ltd
江苏省江阴市红星美凯龙泓家汇生活广场36-37号
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) 139 0616 6119

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Shanghai, 200060, China
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MALAYSIA

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41200 Klang, Selangor, West Malaysia
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Fax : (60) 3 3324 2008
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ASSOCIATES

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China GSD Logistics Pte Ltd
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