IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached information memorandum. In accessing the attached information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the securities, investors must not be a U.S. person (as defined in Regulation S under the Securities Act (as defined below)). The attached information memorandum is being sent at your request and by accepting the e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the United States ("**U.S.**") nor a U.S. person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") nor are you acting on behalf of a U.S. person, the electronic mail address that you gave us and to which this email has been delivered is not located in the U.S. and, to the extent you purchase the securities described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this e-mail and accessing the attached information memorandum, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), a relevant person as defined under Section 275(2) of the SFA or a person to whom an offer, as referred to in Section 275(1A) of the SFA, is being made and (B) agree to be bound by the limitations and restrictions described herein.

The attached information memorandum has been made available to you in electronic form. You are reminded that documents or information transmitted via this medium may be altered or changed during the process of transmission and consequently none of Vibrant Group Limited or DBS Bank Ltd., or any person who controls any of them nor any of their respective directors, officers, employees, agents, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the information memorandum distributed to you in electronic format and the hard copy version. A hard copy version will be provided to you upon request.

Restrictions: The attached information memorandum is being furnished in connection with an offering of securities exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of Vibrant Group Limited or DBS Bank Ltd. to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of Vibrant Group Limited in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession this information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this information memorandum, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.**

Actions that You May Not Take: If you receive this information memorandum by e-mail, you should not reply by e-mail, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

VIBRANT GROUP LIMITED

(Incorporated in the Republic of Singapore on 8 January 1986)
(UEN/Company Registration No. 198600061G)

S$500,000,000
Multicurrency Debt Issuance Programme
(the "Programme")

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") and perpetual securities (the "**Perpetual Securities**" and together with the Notes, the "**Securities**") to be issued from time to time by Vibrant Group Limited (the "**Issuer**") pursuant to the Programme may not be circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and quotation for any Securities which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Securities on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies (if any), the Programme or such Securities.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Securities may include Bearer Securities (as defined herein) that are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Securities may not be offered, sold, or, in the case of Bearer Securities, delivered within the United States.

An investment in Securities issued under the Programme involves certain risks. For a discussion of some of these risks see the section "Risk Factors".

Arranger

DBS

TABLE OF CONTENTS

NOTICE

DBS Bank Ltd. (the "**Arranger**") has been authorised by the Issuer to arrange the Programme described herein. Under the Programme, the Issuer may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Securities denominated in Singapore dollars and/or any other currencies.

This Information Memorandum contains information with regard to the Issuer, its subsidiaries and associated companies (if any), the Programme and the Securities. The Issuer confirms that this Information Memorandum contains all information which is material in the context of the Programme or the issue and offering of the Securities, that the information contained in this Information Memorandum is true and accurate in all material respects, that the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing at the date of this Information Memorandum and are fairly, reasonably and honestly held by the directors of the Issuer, and that there are no other facts the omission of which in the context of the Programme or the issue and offering of the Securities would or might make any such information or expressions of opinion, expectation or intention misleading in any material respect.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section "Summary of the Programme")) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form or registered form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Security (as defined herein) in bearer form or a Permanent Global Security (as defined herein) in bearer form or a registered Global Certificate (as defined herein) which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP (as defined herein) or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") or otherwise delivered as agreed between the Issuer and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes will bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

Perpetual Securities may be issued in series having one or more issue dates and on identical terms (including as to listing) except for the issue dates, issue prices and/or the dates of the first payment of distribution. Each series may be issued in one or more tranches on the same or different issue dates. The Perpetual Securities will be issued in bearer form or registered form and may be listed on a stock exchange. The Perpetual Securities will initially be represented by either a Temporary Global Security in bearer form or a Permanent Global Security in bearer form or a registered Global Certificate which will be deposited on the issue date with or registered in the name of, or in the name of a nominee of, either CDP or a common depositary for Euroclear and/or Clearstream, Luxembourg or otherwise delivered as agreed between the Issuer and the relevant Dealer(s). Subject to compliance with all relevant laws, regulations and directives, the Perpetual Securities may be subject to redemption or purchase in whole or in part. The Perpetual Securities may confer a right to receive distributions at a fixed or floating rate. Details applicable to each series or tranche of Perpetual Securities will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Securities to be issued, when added to the aggregate principal amount of all Securities outstanding (as defined in the Trust Deed referred to herein) shall be S$500,000,000 (or its equivalent in any other currencies) or such higher amount as may be determined by the Issuer.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any of the Dealers. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer or any of its subsidiaries or associated companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, the Securities in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum (or any part thereof) or any such other document or information and the offer of the Securities in certain jurisdictions may be prohibited or restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information (or any part thereof) or into whose possession this Information Memorandum or any such other document or information (or any part thereof) comes are required to inform themselves about and to observe any such prohibitions or restrictions and all applicable laws, orders, rules and regulations.

The Securities have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and include Securities in bearer form that are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to subscribe for or purchase, any of the Securities.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Securities have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Securities from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Securities are sold or with whom they are placed by the relevant Dealer(s) as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Securities shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the financial condition, properties, assets, results of operations or business of the Issuer or any of its subsidiaries or associated companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arranger and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Arranger, any of the Dealers or any of their respective officers, employees or agents is making any representation or warranty expressed or implied as to the merits of the Securities or the subscription for, purchase or acquisition thereof, or the creditworthiness or financial condition or otherwise of the Issuer or its subsidiaries or associated companies (if any). Further, none of the Arranger nor any of the Dealers makes any representation or warranty as to the Issuer, its subsidiaries or associated companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Securities. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuer and its subsidiaries and associated companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuer and its subsidiaries and associated companies (if any). Accordingly, notwithstanding anything herein, none of the Arranger, the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Securities by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, none of the Arranger or any of the Dealers accept any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Arranger or any of the Dealers or on its behalf in connection with the Issuer or the issue and offering of the Securities. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (1) any annual reports, audited consolidated accounts and/or interim financial statements (whether audited or unaudited) published subsequently to such annual reports or audited consolidated accounts from time to time of the Issuer and its subsidiaries and associated companies (if any) and (2) any supplement or amendment to this Information Memorandum issued by the Issuer. This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Securities, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the specified office of the Issuing and Paying Agent (as defined herein).

Any purchase or acquisition of the Securities is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement (as defined herein) and the issue of the Securities by the Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Securities or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Securities are not issued by the Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Securities set out under "Subscription, Purchase and Distribution" on pages 147 to 148 of this Information Memorandum.

Any person(s) who is/are invited to purchase or subscribe for the Securities or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Securities or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to purchase or subscribe for any of the Securities consult their own legal and other advisers before purchasing or acquiring the Securities. Such persons are also advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposal of the Securities.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would" and "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of the Issuer and/or the Group (as defined herein) (including statements as to the Issuer's and/or the Group's revenue and profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of the Issuer and/or the Group, expected growth in the Issuer and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of the Issuer and the Group.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, discussion under the section "Risk Factors".

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuer, the Arranger and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuer or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum nor the issue of any Securities by the Issuer shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Issuer, the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuer, the Arranger and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

"**AED**"	:	The lawful currency of the United Arab Emirates.
"**Agency Agreement**"	:	The Agency Agreement dated 8 May 2013 between (1) the Issuer, as issuer, (2) the Issuing and Paying Agent, as issuing and paying agent, (3) the Agent Bank, as agent bank, and (4) the Trustee, as trustee, as amended and restated by the agency amendment and restatement agreement dated 25 March 2014 made between (1) the Issuer, as issuer, (2) the Issuing and Paying Agent, as issuing and paying agent, (3) the Agent Bank, as agent bank, (4) the Transfer Agent, as transfer agent, (5) the Registrar, as registrar, and (6) the Trustee, as trustee, and as further amended, restated or supplemented from time to time.
"**Agent Bank**"	:	DBS Bank Ltd.
"**Arranger**"	:	DBS Bank Ltd.
"**ASRS**"	:	Automated Storage and Retrieval System.
"**Bearer Securities**"	:	Securities in bearer form.
"**BIH**"	:	Blackgold International Holdings Limited.
"**business day**"	:	In respect of each Security, (a) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (b) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent's specified office and (c) (if a payment is to be made on that day) (i) (in the case of Securities denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Securities denominated in Euros) a day (other than a Saturday or Sunday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Securities denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency.
"**CDP**" or the "**Depository**"	:	The Central Depository (Pte) Limited.
"**Certificate**"	:	A registered certificate representing one or more Registered Securities of the same Series and, save as provided in the Conditions of the Notes or, as the case may be, the Conditions of the Perpetual Securities, comprising the entire holding by a holder of Registered Securities of that Series.
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.

"**Conditions**"	:	(1) in relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Security or a Global Certificate, by the provisions of such Global Security or Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part III of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly; and (2) in relation to the Perpetual Securities of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part III of Schedule 5 to the Trust Deed, as modified, with respect to any Perpetual Securities represented by a Global Security or a Global Certificate, by the provisions of such Global Security or, as the case may be, Global Certificate, shall incorporate any additional provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Perpetual Securities of such Series and shall be endorsed on the Definitive Securities or, as the case may be, Certificates, subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Perpetual Securities" as set out in Part III of Schedule 5 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.
"**Couponholders**"	:	The holders of the Coupons.
"**Coupons**"	:	The bearer coupons appertaining to an interest or distribution bearing Bearer Security.
"**Dealers**"	:	Persons appointed as dealers under the Programme.
"**Definitive Security**"	:	A definitive Bearer Security having, where appropriate, Coupons and/or a Talon attached on issue.
"**Directors**"	:	The directors (including alternate directors, if any) of the Issuer as at the date of this Information Memorandum.
"**Euro**"	:	The currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.
"**FDPL**":	:	Figtree Development Pte. Ltd.
"**Fervent**"	:	Fervent Industrial Development (Suzhou) Co., Ltd.
"**Figtree Holdings**"	:	Figtree Holdings Ltd.

"**FY**"	:	Financial year ended or ending 30 April.
"**GFA**"	:	Gross floor area.
"**Global Certificate**"	:	A Certificate representing Registered Securities of one or more Tranches of the same Series that are registered in the name of, or in the name of a nominee of, (i) CDP, (ii) a common depositary for Euroclear and/or Clearstream, Luxembourg and/or (iii) any other clearing system.
"**Global Security**"	:	A global Security representing Bearer Securities of one or more Tranches of the same Series, being a Temporary Global Security and/or, as the context may require, a Permanent Global Security, in each case without Coupons or a Talon.
"**Group**"	:	The Issuer and its subsidiaries.
"**IRAS**"	:	Inland Revenue Authority of Singapore.
"**ISO**"	:	International Organisation for Standardisation.
"**Issuer**" or "**Vibrant**"	:	Vibrant Group Limited.
"**Issuing and Paying Agent**"	:	DBS Bank Ltd.
"**IT**"	:	Information technology.
"**ITA**"	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
"**Jiangyin Haigang**"	:	Jiangyin Haigang International Logistics Ltd.
"**JTC**"	:	Jurong Town Corporation.
"**Latest Practicable Date**"	:	31 July 2017.
"**LTH**"	:	LTH Logistics (Singapore) Pte Ltd.
"**MAS**"	:	The Monetary Authority of Singapore.
"**Master Development**"	:	Master Development (Jiangyin) Co., Ltd (江阴德辉置业有限公司).
"**MNC**"	:	Multi-national corporation.
"**Noteholders**"	:	The holders of the Notes.
"**Notes**"	:	The multicurrency medium term notes of the Issuer issued or to be issued pursuant to the Programme Agreement and constituted by the Trust Deed.
"**Paying Agents**"	:	The Issuing and Paying Agent and any other paying agents that may be appointed.
"**Permanent Global Security**"	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Security.

“**Perpetual Securities**”	:	The perpetual securities issued or to be issued by the Issuer pursuant to the Programme Agreement and constituted by the Trust Deed.
“**Perpetual Securityholders**”	:	The holders of the Perpetual Securities.
“**PRC**”	:	The People’s Republic of China.
“**Pricing Supplement**”	:	In relation to any Tranche or Series, a pricing supplement supplemental to this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series.
“**Programme**”	:	The S$500,000,000 Multicurrency Debt Issuance Programme established by the Issuer pursuant to the Programme Agreement.
“**Programme Agreement**”	:	The Programme Agreement dated 8 May 2013 made between (1) the Issuer, as issuer, (2) the Arranger, as arranger, and (3) DBS Bank Ltd., as dealer, as amended and restated by the programme amendment and restatement agreement dated 25 March 2014 and as supplemented by a supplemental programme agreement dated 8 August 2017, in each case, made between the same parties, and as further amended, restated or supplemented from time to time.
“**Registered Securities**”	:	Securities in registered form.
“**Registrar**”	:	DBS Bank Ltd.
“**Renminbi**” or “**RMB**”	:	The lawful currency of the PRC.
“**S$**”, “**Singapore dollars**” and “**cents**”	:	Singapore dollars and cents respectively.
“**Sabana REIT**”	:	Sabana Shari’ah Compliant Real Estate Investment Trust.
“**SACOFF**”	:	Sentosa Asian Credit Offshore Feeder Fund Limited.
“**SCPL**”	:	Sentosa Capital (Pte) Ltd.
“**Securities**”	:	The Notes and the Perpetual Securities.
“**Securities Act**”	:	Securities Act of 1933 of the United States, as amended.
“**Securityholders**”	:	The Noteholders and the Perpetual Securityholders.
“**Senior Perpetual Securities**”	:	Perpetual Securities which are expressed to rank as senior obligations of the Issuer.
“**SEPL**”	:	Singapore Enterprises Pte. Ltd.

"Series"	:	(1) (in relation to Securities other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of (in the case of Notes other than variable rate notes) interest and/or (in the case of Perpetual Securities) distribution and (2) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
"SFA"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
"SGX-SESDAQ"	:	Stock Exchange of Singapore Dealing & Automated Quotation System.
"SGX-ST"	:	Singapore Exchange Securities Trading Limited.
"Shares"	:	Ordinary shares in the capital of the Issuer.
"SIP"	:	Sabana Investment Partners Pte Ltd.
"SPM"	:	Sabana Property Management Pte. Ltd.
"SREIM"	:	Sabana Real Estate Investment Management Pte Ltd.
"Subordinated Perpetual Securities"	:	Perpetual Securities which are expressed to rank as subordinated obligations of the Issuer.
"subsidiary"	:	Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act).
"Talons"	:	Talons for further Coupons.
"TARGET System"	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.
"Temporary Global Security"	:	A Global Security representing Bearer Securities of one or more Tranches of the same Series on issue.
"TOP"	:	Temporary occupation permit.
"Tranche"	:	Securities which are identical in all respects (including as to listing).
"Transfer Agent"	:	DBS Bank Ltd.
"Trust Deed"	:	The Trust Deed dated 8 May 2013 made between (1) the Issuer, as issuer, and (2) the Trustee, as trustee, as amended and restated by the amendment and restatement trust deed dated 25 March 2014 and as supplemented by a supplemental trust deed dated 8 August 2017, in each case, made between the same parties, and as further amended, restated or supplemented from time to time.

“**Trustee**”	:	DBS Trustee Limited.
“**UK**”	:	United Kingdom.
“**United States**” or “**U.S.**”	:	United States of America.
“**US$**” or “**US dollars**”	:	United States dollars.
“**VPPL**”	:	Vibrant Properties Pte. Ltd.
“**%**”	:	Per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

Board of Directors	:	Mr Sebastian Tan Cher Liang Mr Eric Khua Kian Keong Mr Henry Chua Tiong Hock Mr Thomas Woo Sai Meng Mr Khua Hock Su Mr Derek Loh Eu Tse
Company Secretary	:	Ms Dorothy Ho Lai Yong
Registered Office	:	51 Penjuru Road #04-00 Singapore 609143
Auditors to the Issuer	:	KPMG LLP Certified Public Accountants 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581
Arranger and Dealer of the Programme	:	DBS Bank Ltd. 12 Marina Boulevard, Level 42 Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Advisers to the Arranger, the Issuing and Paying Agent, the Agent Bank, the Registrar, the Transfer Agent and the Trustee	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Issuer	:	WongPartnership LLP 12 Marina Boulevard, Level 28 Marina Bay Financial Centre Tower 3 Singapore 018982
Issuing and Paying Agent, Agent Bank, Registrar and Transfer Agent	:	DBS Bank Ltd. 10 Toh Guan Road #04-11 (Level 4B) DBS Asia Gateway Singapore 608838
Trustee for the Securityholders	:	DBS Trustee Limited 12 Marina Boulevard, Level 44 Marina Bay Financial Centre Tower 3 Singapore 018982

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuer	:	Vibrant Group Limited.
Arranger	:	DBS Bank Ltd.
Dealers	:	DBS Bank Ltd. and/or such other Dealers as may be appointed by the Issuer in accordance with the Programme Agreement.
Trustee	:	DBS Trustee Limited.
Issuing and Paying Agent, Agent Bank, Registrar and Transfer Agent	:	DBS Bank Ltd.
Description	:	S$500,000,000 Multicurrency Debt Issuance Programme.
Programme Size	:	The maximum aggregate principal amount of the Securities outstanding at any time shall be S$500,000,000 (or its equivalent in other currencies) or as may be determined by the Issuer.
Currency	:	Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in Singapore dollars or any other currency agreed between the Issuer and the relevant Dealer(s).
Purpose	:	Net proceeds arising from the issue of the Securities under the Programme (after deducting issue expenses) will be used for general corporate purposes, including refinancing of borrowings, and financing investments and general working capital of the Issuer or its subsidiaries.
Method of Issue	:	Securities may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The minimum issue size for each Series shall be agreed between the Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Securities may be issued at par or at a discount, or premium, to par.
Form and Denomination	:	The Securities will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of Bearer Securities may initially be represented by a Temporary Global Security or a Permanent Global Security. Each Temporary Global Security may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Security or Definitive Securities (as indicated in the applicable Pricing Supplement). Each Permanent Global

Security may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Securities upon the terms therein. Each Tranche or Series of registered Securities will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of, or in the name of a nominee of, CDP, a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Conditions of the Securities, a Certificate shall be issued in respect of each Securityholder's entire holding of registered Securities of one Series.

Custody	:	Securities which are to be listed on the SGX-ST may be cleared through CDP. Securities which are to be cleared through CDP are required to be kept with CDP as authorised depository. Securities which are cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary on behalf of Euroclear and Clearstream Luxembourg.
Dividend Covenant	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Securities remains outstanding, it will ensure that none of its subsidiaries is prohibited, directly or indirectly, (i) from paying any dividends to the Issuer, (ii) from making any distribution on such subsidiary's share capital or (iii) from repaying to the Issuer any loans or advances made by the Issuer to such subsidiary (save for any loans or advances made prior to the date of the Trust Deed).
Shareholding Covenant	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Securities remains outstanding, it will ensure that it will at all times own (directly or indirectly) (i) the whole of the issued share capital for the time being of Freight Links Express Pte. Ltd., Freight Links Logistics Pte. Ltd. and Freight Links Properties Pte. Ltd. and (ii) at least 51 per cent. of the issued share capital for the time being of LTH and SIP.
Non-Disposal Covenant	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Securities remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined in Condition 10 of the Notes) will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 16.30 of the Trust Deed, is substantial in relation to its assets, or those of itself and its subsidiaries, taken as a whole or the disposal of which (either alone or when so aggregated) could have a material adverse effect on it. The following disposals shall not be taken into account under Clause 16.30 of the Trust Deed: (a) disposals in the ordinary course of business on arm's length and normal commercial terms;

		(b) any disposal or sale of assets which are obsolete, excess or no longer required for the purpose of its Business (as defined in the Trust Deed) on normal commercial terms and on an arms' length basis;
		(c) any sale and leaseback transactions in relation to real property on normal commercial terms and on an arms' length basis;
		(d) any disposal of investment(s) in joint venture(s) to any existing or future joint venture partner(s) on normal commercial terms and on an arms' length basis where such disposal does not and will not have a material adverse effect on the Issuer; and
		(e) any disposal approved by the Trustee or by the Securityholders by way of an Extraordinary Resolution.
Taxation	:	All payments in respect of the Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section "Singapore Taxation" herein.
Listing	:	Each Series of the Securities may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained.
Board Lot Size	:	The Securities will be traded in a minimum board lot size of not less than S$200,000 (or its equivalent in other currencies) for so long as the Securities are listed on the SGX-ST and the rules of the SGX-ST so require.
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Securities and the distribution of offering material relating to the Securities, see the section "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Securities.
Governing Law	:	The Programme and any Securities issued under the Programme will be governed by, and construed in accordance with, the laws of Singapore.

NOTES

Maturities	:	Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s).
Mandatory Redemption	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Issuer and the relevant Dealer(s) or may not bear interest.
Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions of the Notes. Interest periods in relation to the Variable Rate Notes will be agreed between the Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR or S$ SWAP RATE (or such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such benchmark as may be agreed between the Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Issuer and the relevant Dealer(s).
Zero Coupon Notes	:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.

Status of the Notes	:	The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Optional Redemption and Purchase	:	If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Issuer (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.
Redemption for Taxation Reasons	:	If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(i) of the Notes) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 of the Notes, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.
Redemption upon Cessation or Suspension of Trading of Shares at the option of Noteholders	:	In the event that (i) the shares of the Issuer cease to be listed or admitted to trading on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than seven days (other than by reason of holiday, statutory or otherwise), the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 60 days after (in the case of (i)) the date of cessation of listing or admission to trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of seven days.

Redemption at the Option of Noteholders upon Change of Shareholding Event	:	If, for any reason, a Change of Shareholding Event occurs, the Issuer will within seven days of such occurrence give notice to the Noteholders of the occurrence of such event (the "**Notice**") and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption, on the date falling 60 days from the date of the Notice (or if such date is not a business day, on the next day which is a business day). To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from any Paying Agent, the Registrar, any Transfer Agent or the Issuer (as applicable), no later than 30 days from the date of the Notice. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. For the purposes of this paragraph: (a) a "**Change of Shareholding Event**" occurs when Mr Eric Khua Kian Keong and his Immediate Family Members cease to own in aggregate (whether directly or indirectly) at least 30 per cent. of the issued share capital of the Issuer; and (b) "**Immediate Family Members**" means Mr Eric Khua Kian Keong's father, mother, siblings, wife, son(s) and daughter(s).
Negative Pledge	:	The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries will, create or have outstanding any security over the whole or any part of its undertakings, assets, property or revenues, present or future, save for: (a) liens or rights of set-off arising solely by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (1) has been due for less than 14 days or (2) is being contested in good faith and by appropriate means; (b) any security over any asset existing on or prior to the date of the Trust Deed to secure any loans and/or facilities made to it and as disclosed in writing to the Trustee on or prior to the date of the Trust Deed and any refinancing or renewal of such security (provided that, in all cases, the loan or facility limit secured thereby shall not be increased without the prior approval of the Trustee or the Noteholders by way of Extraordinary Resolution (as defined in the Trust Deed)); (c) any security over any assets acquired, renovated, refurbished, developed or redeveloped after the date of the Trust Deed for the sole purpose of financing or refinancing (including by way of project financing) the acquisition (including acquisition by way of acquisition of the shares in the company or entity owning (whether directly or indirectly)

such assets), renovation, refurbishment, development or redevelopment and securing a principal amount not exceeding the cost of such acquisition, renovation, refurbishment, development or redevelopment;

(d) any security existing at the time of the acquisition of any asset directly or indirectly (by way of share purchase or otherwise) acquired after the date of the Trust Deed and any security created on that asset (directly or indirectly) in connection with the extension or refinancing of the credit facilities secured by the security over such asset at any time, provided that the amount secured by any such security may not exceed the cost of acquisition of such asset;

(e) pledges of goods, stock, bank accounts or accounts with any financial institutions and/or related documents of title and assignments of receivables and insurances, arising in the ordinary course of its business, as security for bank facilities relating to the purchase of goods; and

(f) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

Financial Covenants : The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that:

(a) the Consolidated Tangible Net Worth shall not at any time be less than S$200,000,000;

(b) the ratio of Consolidated Net Borrowings to Consolidated Tangible Net Worth shall not at any time be more than 1.75:1;

(c) the ratio of Consolidated EBITDA to Consolidated Interest Expense shall not at any time be less than 2.5:1; and

(d) the ratio of Consolidated Secured Debt to Consolidated Total Assets shall not at any time exceed 0.5:1.

Terms used in this paragraph have the meaning ascribed to them in the Conditions.

Events of Default : See Condition 10 of the Notes.

PERPETUAL SECURITIES

No Fixed Maturity : The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to redeem or purchase them in accordance with the provisions of the Conditions of the Perpetual Securities.

Distribution Basis : Perpetual Securities may confer a right to receive distribution at fixed or floating rates.

Fixed Rate Perpetual Securities	:	Fixed Rate Perpetual Securities will confer a right to receive distribution at a fixed rate which will be payable in arrear on specified dates. If so provided on the face of the Fixed Rate Perpetual Securities, the distribution rate may be reset on such dates and bases as may be set out in the applicable Pricing Supplement.
Floating Rate Perpetual Securities	:	Floating Rate Perpetual Securities which are denominated in Singapore dollars will confer a right to receive distribution at a rate to be determined separately for each Series by reference to S$ SIBOR or S$ Swap Rate (or in any other case such other benchmark as may be agreed between the Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Distribution periods in relation to the Floating Rate Perpetual Securities will be agreed between the Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Perpetual Securities which are denominated in other currencies will confer a right to receive distribution at a rate to be determined separately for each Series by reference to such other benchmark as may be agreed between the Issuer and the relevant Dealer(s).
Distribution Discretion	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date (as defined in the Conditions of the Perpetual Securities) by giving notice to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14 of the Perpetual Securities) not more than 10 nor less than five business days (or such other notice period as may be specified on the face of the Perpetual Security and the relevant Pricing Supplement) prior to a scheduled Distribution Payment Date. If Dividend Pusher is set out on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may not elect to defer any distribution if during the Reference Period (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event a "**Compulsory Distribution Payment Event**") have occurred: (a) a dividend, distribution or other payment has been declared or paid on or in respect of any of the Issuer's Junior Obligations (as defined in the Conditions of the Perpetual Securities) or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations (as defined in the Conditions of the Perpetual Securities); or (b) any of the Issuer's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations has been redeemed, reduced cancelled, bought back or acquired for any consideration.

Non-Cumulative Deferral and Cumulative Deferral	:	If Non-Cumulative Deferral is set out on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e) of the Perpetual Securities. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to Condition 4(IV) of the Perpetual Securities. If Cumulative Deferral is set out on the face of the Perpetual Security and the relevant Pricing Supplement, any distribution deferred pursuant to Condition 4(IV) of the Perpetual Securities shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a) of the Perpetual Securities) further defer any Arrears of Distribution by complying with the notice requirement in Condition 4(IV)(e) of the Perpetual Securities applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4(IV) of the Perpetual Securities except that Condition 4(IV)(c) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full. If Additional Distribution is set out on the face of the Perpetual Security and the relevant Pricing Supplement, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to Condition 4 of the Perpetual Securities and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the provisions of Condition 4 of the Perpetual Securities. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.
Restrictions in the case of Non-Payment	:	If Dividend Stopper is set out on the face of the Perpetual Security and the relevant Pricing Supplement and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of Condition 4(IV) of the Perpetual Securities, the Issuer shall not and shall procure that none of its subsidiaries shall: (a) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations; or

(b) redeem, reduce, cancel, buy-back or acquire for any consideration, and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of, any of the Issuer's Junior Obligations or (except on a *pro rata* basis) any of the Issuer's Specified Parity Obligations,

in each case unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so by an Extraordinary Resolution of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

Status of the Senior Perpetual Securities	:	The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.
Status of the Subordinated Perpetual Securities	:	The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Issuer.
Subordination of Subordinated Perpetual Securities	:	Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up (as defined in the Conditions of the Perpetual Securities) of the Issuer, the rights of the Perpetual Securityholders and Couponholders in respect of Subordinated Perpetual Securities to payment of principal of and distribution on the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.
Set-off in relation to Subordinated Perpetual Securities	:	Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction,

withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

Redemption at the Option of the Issuer	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face thereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.
Redemption for Taxation Reasons	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

(a) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (the "**Comptroller**") (or other relevant authority) which confirms that:

(1) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore ("**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; and/or

(2) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(b) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Perpetual Securities, or increase the payment of such additional amounts as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement and such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Redemption for Accounting Reasons : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time prior to or after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council, as amended from time to time (the "**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.

Redemption for Tax Deductibility : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

(a) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

(1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;

(2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or

(3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is issued or announced before the Issue Date,

distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following such Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA; or

(b) the Issuer receives a ruling from the Comptroller (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Redemption upon a Change of Shareholding Event : If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), following the occurrence of a Change of Shareholding Event.

For the purposes of this paragraph:

(a) a "**Change of Shareholding Event**" occurs when Mr Eric Khua Kian Keong and his Immediate Family Members cease to own in aggregate (whether directly or indirectly) at least 30 per cent. of the issued share capital of the Issuer; and

(b) "**Immediate Family Members**" Mr Eric Khua Kian Keong's father, mother, siblings, wife, son(s) and daughter(s).

Redemption in the case of Minimal Outstanding Amount	:	If so provided on the face of the Perpetual Security and the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified thereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.
Limited right to institute proceedings in relation to Perpetual Securities	:	The right to institute proceedings for winding-up is limited to circumstances where payment under the Perpetual Securities has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV) of the Perpetual Securities.
Proceedings for Winding-up	:	If (i) a final and effective order is made or an effective resolution is passed for the winding-up of the Issuer or (ii) the Issuer fails to make payment in respect of the Perpetual Securities when due and such failure continues for a period of three business days after the due date, the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d) of the Perpetual Securities, institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a trust deed dated 8 May 2013 made between (1) Vibrant Group Limited (formerly known as Freight Links Express Holdings Limited) (the "**Issuer**") and (2) DBS Trustee Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below) (as amended and supplemented by an amendment and restatement trust deed dated 25 March 2014 and a supplemental trust deed dated 8 August 2017, in each case, made between the same parties, and as further amended, restated and supplemented from time to time, the "**Trust Deed**"), and (where applicable) the Notes are issued with the benefit of a deed of covenant dated 8 May 2013 (as supplemented by a supplemental deed of covenant dated 25 March 2014 and as further amended, varied or supplemented from time to time, the "**Deed of Covenant**"), relating to the Notes executed by the Issuer. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. The Issuer has entered into an agency agreement dated 8 May 2013 made between (1) the Issuer, (2) DBS Bank Ltd., as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**") and agent bank (in such capacity, the "**Agent Bank**"), and (3) the Trustee, as trustee (as amended and restated by an agency amendment and restatement agreement dated 25 March 2014 made between (1) the Issuer, (2) the Issuing and Paying Agent (and, together with any other paying agents that may be appointed, the "**Paying Agents**"), (3) the Agent Bank, (4) DBS Bank Ltd., as transfer agent (and, together with any other transfer agents that may be appointed, the "**Transfer Agents**"), (5) DBS Bank Ltd., as registrar (in such capacity, the "**Registrar**"), and (6) the Trustee, as trustee, and as further amended, restated and supplemented from time to time, the "**Agency Agreement**"). The Noteholders and the holders (the "**Couponholders**") of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") in each case in the Denomination Amount shown hereon.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).

(iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 7(h)) in these Conditions are not applicable.

(iv) Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) Title

(i) Title to the Bearer Notes and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save for manifest or proven error) shall be treated by the Issuer, the Issuing and Paying Agent, the Paying Agents, the Agent Bank, the Registrar, the Transfer Agents, all other agents of the Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Issuing and Paying Agent, the Paying Agents, the Agent Bank, the Registrar, the Transfer Agents, all other agents of the Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Security or, as the case may be, the Global Certificate and held by Euroclear, Clearstream, Luxembourg and/or the Depository, will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

(iv) In these Conditions, "**Global Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Global Certificate**" means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depositary for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, "**Noteholder**" means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be) and "**holder**" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), "**Series**" means (a) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (b) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Notes and Transfers of Registered Notes

(a) No Exchange of Notes: Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Denomination Amount may not be exchanged for Bearer Notes of another Denomination Amount. Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes: Subject to Conditions 2(e) and 2(f) below, one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) Exercise of Options or Partial Redemption in Respect of Registered Notes: In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates: Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for general business in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).

(e) **Transfers Free of Charge**: Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the other relevant Transfer Agent may require) in respect of tax or charges.

(f) **Closed Periods**: No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

3. Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

4. Negative Pledge and Financial Covenants

(a) Negative Pledge

The Issuer has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its Principal Subsidiaries (as defined in Condition 10) will, create or have outstanding any security over the whole or any part of its undertakings, assets, property or revenues, present or future, save for:

(i) liens or rights of set-off arising solely by operation of law (or by an agreement evidencing the same), in either case, in respect of indebtedness which either (1) has been due for less than 14 days or (2) is being contested in good faith and by appropriate means;

(ii) any security over any asset existing on or prior to the date of the Trust Deed to secure any loans and/or facilities made to it and as disclosed in writing to the Trustee on or prior to the date of the Trust Deed and any refinancing or renewal of such security (provided that, in all cases, the loan or facility limit secured thereby shall not be increased without the prior approval of the Trustee or the Noteholders by way of Extraordinary Resolution (as defined in the Trust Deed));

(iii) any security over any assets acquired, renovated, refurbished, developed or redeveloped after the date of the Trust Deed for the sole purpose of financing or refinancing (including by way of project financing) the acquisition (including acquisition by way of acquisition of the shares in the company or entity owning (whether directly or indirectly) such assets), renovation, refurbishment, development or redevelopment and securing a principal amount not exceeding the cost of such acquisition, renovation, refurbishment, development or redevelopment;

(iv) any security existing at the time of the acquisition of any asset directly or indirectly (by way of share purchase or otherwise) acquired after the date of the Trust Deed and any security created on that asset (directly or indirectly) in connection with the extension or refinancing of the credit facilities secured by the security over such asset at any time, provided that the amount secured by any such security may not exceed the cost of acquisition of such asset;

(v) pledges of goods, stock, bank accounts or accounts with any financial institutions and/or related documents of title and assignments of receivables and insurances, arising in the ordinary course of its business, as security for bank facilities relating to the purchase of goods; and

(vi) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution.

(b) Financial Covenants

The Issuer has further covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that:

(i) the Consolidated Tangible Net Worth shall not at any time be less than S$200,000,000;

(ii) the ratio of Consolidated Net Borrowings to Consolidated Tangible Net Worth shall not at any time be more than 1.75:1;

(iii) the ratio of Consolidated EBITDA to Consolidated Interest Expense shall not at any time be less than 2.5:1; and

(iv) the ratio of Consolidated Secured Debt to Consolidated Total Assets shall not at any time exceed 0.5:1.

For the purposes of these Conditions:

(1) "**Consolidated EBITDA**" means, in relation to any Test Period, the aggregate of the net earnings of the Group on its ordinary activities during such period before taking into account Consolidated Interest Expense and income tax expense but making adjustments thereto by (aa) adding back depreciation charged and amount attributable to amortisation of goodwill and other intangibles to the extent deducted in arriving at such earnings on ordinary activities during such period, and (bb) excluding any non-cash items which are gains or losses arising from changes to fair value of the Group's property, plant and equipment and available-for-sale financial assets, all as shown in the latest audited or unaudited consolidated accounts of the Group;

(2) "**Consolidated Interest Expense**" means, in relation to any Test Period, the consolidated aggregate amount of interest and other financing charges accrued, paid or payable (including any capitalised interest and commissions paid or payable) by the Group during that Test Period;

(3) "**Consolidated Net Borrowings**" means Consolidated Total Borrowings less cash and cash equivalents (as determined in accordance with generally accepted accounting principles in Singapore);

(4) "**Consolidated Secured Debt**" means, at any particular time, the portion of Consolidated Total Liabilities secured by any security interest over any asset of the Group;

(5) "**Consolidated Tangible Net Worth**" means the amount (expressed in Singapore dollars) for the time being, calculated in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(aa) the amount paid up or credited as paid up on the issued share capital of the Issuer; and

(bb) the amounts standing to the credit of the capital and revenue reserves (including profit and loss account) of the Group on a consolidated basis,

all as shown in the then latest audited or unaudited consolidated balance sheet of the Group but after:

(I) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital and the capital and revenue reserves set out in paragraph (bb) above of the Group since the date of the latest audited consolidated balance sheet of the Group;

(II) excluding any sums set aside for future taxation;

(III) deducting:

(AA) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited consolidated balance sheet of the Group and which have been declared, recommended or made since that date except so far as provided for in such balance sheet and/or paid or due to be paid to members of the Group;

(BB) all goodwill and other intangible assets; and

(CC) any debit balances on consolidated profit and loss account; and

(IV) excluding any amount attributable to minority interests;

(6) "**Consolidated Total Assets**" means, at any particular time, the consolidated amount of the book values of all the assets of the Group, determined as assets in accordance with generally accepted accounting principles in Singapore;

(7) "**Consolidated Total Borrowings**" means in relation to the Group, an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(aa) bank overdrafts and all other indebtedness in respect of any bank borrowings;

(bb) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;

(cc) the liabilities of the Issuer under the Trust Deed or the Notes;

(dd) all other indebtedness whatsoever of the Group for borrowed moneys; and

(ee) any redeemable preference shares issued by any member of the Group and which are classified as debt or liability in the consolidated accounts of the Group,

Provided that no indebtedness shall be included in a calculation of Consolidated Total Borrowings more than once.

(8) "**Consolidated Total Liabilities**" means the aggregate of Consolidated Total Borrowings plus, insofar as not already taken into account, all other liabilities of the Group calculated in accordance with generally accepted accounting principles in Singapore, including:

(aa) current creditors, proposed dividends and other distributions to shareholders and taxation payable within 12 months;

(bb) the principal amount raised by acceptances under any acceptance credit in favour of any member of the Group;

(cc) the face amount of any bills of exchange (other than cheques) or other instruments upon which any member of the Group is liable as drawer, acceptor or endorser;

(dd) all actual and contingent liabilities of whatsoever nature of any member of the Group including, without limitation, the maximum premium payable on a redemption of any debenture or other indebtedness of any member of the Group and all actual and contingent liabilities of any other person (including any shares and the principal amount of any debentures of any person) to the extent that such liabilities, shares or debentures are directly or indirectly guaranteed or secured by or are, directly or indirectly, the subject of an indemnity given by, or with a right of recourse against, any member of the Group;

(ee) the aggregate of the principal amounts outstanding under all agreements or transactions entered into by any member of the Group for leasing, hire purchase, conditional sale or purchase on deferred terms, or provision of funds in support of obligations of third parties and similar transactions in relation to any property, and any other amounts due to creditors other than current creditors; and

(ff) amounts standing to the credit of any deferred tax account or tax equalisation reserve,

Provided that no liabilities shall be included in a calculation of Consolidated Total Liabilities more than once; and

(9) "**Test Period**" means, in respect of the financial half-year of the Group ending on 31 October in each year, each period of six months ending on the last day of such financial half-year and, in respect of the financial year of the Group ending on 30 April in each year, each period of 12 months ending on the last day of such financial year.

For the avoidance of doubt, for the purposes of these definitions, any perpetual securities issued by the Issuer or any other member of the Group which are accounted for as "equity" shall be treated as such (and not as debt).

5. Interest and Other Calculations

(I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(I) and the Agency Agreement to the Relevant Date (as defined in Condition 8).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note. The amount of interest payable per Calculation Amount (as defined in Condition 5(II)(d)) for any Fixed Rate Interest Period in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency (with halves rounded up).

In these Conditions, "**Fixed Rate Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in Condition 5(II)(c)) in respect of any Variable Rate Note for any Interest Period (as defined below) relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(II) and the Agency Agreement to the Relevant Date.

(b) Rate of Interest - Floating Rate Notes

(i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or in any other case (or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "**Spread**" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Agent Bank on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page as aforesaid) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

(C) if on any Interest Determination Date, two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Interest Determination Date, one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the

Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest 1/16 per cent.)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as may be agreed between the Agent Bank and the Issuer and as adjusted by the Spread (if any); and

(C) if on any Interest Determination Date, the Agent Bank is otherwise unable to determine the Rate of Interest under paragraph (b)(ii)(2)(B) above or if no agreement on the relevant authority is reached between the Agent Bank and the Issuer under paragraph (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or (bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) Rate of Interest - Variable Rate Notes

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The Issuer has undertaken to the Issuing and Paying Agent and the Agent Bank that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:

(1) notify or cause the Relevant Dealer to notify the Issuing and Paying Agent and the Agent Bank of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Issuing and Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "**Spread**" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 5(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Agent Bank in accordance with the provisions of Condition 5(II)(b)(ii) above (*mutatis mutandis*) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Note, (a) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (b) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent's specified office and (c) (if a payment is to be made on that day) (i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Notes denominated in Euros) a day (other than a Saturday or Sunday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with Condition 5:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 365 (or, if any portion of that Fixed Rate Interest Period or, as the case may be, Interest Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Interest Period or, as the case may be, Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 360;

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period in respect of which payment is being made divided by 365; and

(iv) if "30/360" is specified in the applicable Pricing Supplement, the number of days in (in the case of Fixed Rate Notes or Hybrid Notes during the Fixed Rate Period) the Fixed Rate Interest Period or (in the case of Floating Rate Notes, Variable Rate Notes or Hybrid Notes during the Floating Rate Period) the Interest Period divided by 30, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Fixed Rate Interest Period or, as the case may be, the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

"**Interest Determination Date**" means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Agent Bank;

"**Reference Banks**" means the institutions specified as such hereon or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement referred to in the Agency Agreement with whom the Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) and the Agency Agreement to the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note during the Fixed Rate Period.

(c) Floating Rate Period

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its principal amount outstanding from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) The period beginning on (and including) the first day of the Floating Rate Period and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 5(III) and the Agency Agreement to the Relevant Date.

(iv) The provisions of Condition 5(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note, the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(i)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(i)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest or proven error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuing and Paying Agent, the Trustee and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, if so required by the Issuer, the Agent Bank will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 16 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 10, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign from its duties without a successor having been appointed as aforesaid.

6. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of Issuer

If so provided hereon, the Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the Issuer accordingly. To exercise such option, the Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Issuing and Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be purchased, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

(c) Purchase at the Option of Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the Issuer at their Redemption Amount on any Interest Payment Date and the Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) any Variable Rate Notes to be purchased (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Variable Rate Note(s) to be purchased with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from any Paying Agent, the Registrar or any other Transfer Agent (as applicable) within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes or Certificates representing such Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Variable Rate Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Variable Rate Note (together with all unmatured Coupons and unexchanged Talons) to the Issuing and Paying Agent and in the case of Registered Notes, by surrendering the Certificate representing such Variable Rate Note to the Registrar. The Variable Rate Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit (in the case of Bearer Notes) such Note to be purchased (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) to be purchased with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes or Certificates so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Notes may be held, resold or surrendered for cancellation, in the case of Bearer Notes, by surrendering such Note (together with all unmatured Coupons and unexchanged Talons) to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. The Notes so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 11 and 12.

(d) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

(e) Redemption at the Option of Noteholders

(i) If so provided hereon, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption. To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar, any Transfer Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(ii) If, for any reason, a Change of Shareholding Event occurs, the Issuer will within seven days of such occurrence give notice to the Noteholders of the occurrence of such event (the "**Notice**") and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption, on the date falling 60 days from the date of the Notice (or if such date is not a business day, on the next day which is a business day). To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed Exercise Notice in the form obtainable from any Paying Agent, the Registrar, any Transfer Agent or the Issuer (as applicable), no later than 30 days from the date of the Notice. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

For the purposes of this Condition 6(e)(ii):

(1) a "**Change of Shareholding Event**" occurs when Mr Eric Khua Kian Keong and his Immediate Family Members cease to own in aggregate (whether directly or indirectly) at least 30 per cent. of the issued share capital of the Issuer; and

(2) "**Immediate Family Members**" means Mr Eric Khua Kian Keong's father, mother, siblings, wife, son(s) and daughter(s).

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(i) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Paying Agent a certificate signed by a duly authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

(g) Redemption upon Cessation or Suspension of Trading of Shares

In the event that (i) the shares of the Issuer cease to be listed or admitted to trading on the SGX-ST or (ii) trading in the shares of the Issuer on the SGX-ST is suspended for a continuous period of more than seven days (other than by reason of holiday, statutory or otherwise), the Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or, if earlier, the date falling 60 days after the Effective Date. In this Condition 6(g), "**Effective Date**" means (in the case of (i)) the date of cessation of listing or admission to trading or (in the case of (ii)) the business day immediately following the expiry of such continuous period of seven days. The Issuer shall within seven days after the Effective Date, give notice to the Trustee, the Issuing and Paying Agent and the Noteholders of the occurrence of the event specified in this paragraph (g) (provided that any failure by the Issuer to give such notice shall not prejudice any Noteholder of such option). To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with an Exercise Notice in the form obtainable from any Paying Agent, the Registrar, any Transfer Agent or the Issuer (as applicable) not later than 30 days after the Effective Date. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(h) Purchases

The Issuer or any of its related corporations may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the Issuer or any of its related corporations may be surrendered by the purchaser through the Issuer to, in the case of Bearer Notes, the Issuing and Paying Agent and, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer or relevant related corporation be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(i) Early Redemption of Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(f) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on the face of the Note.

(j) Cancellation

All Notes purchased by or on behalf of the Issuer or any of its related corporations may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold.

7. Payments

(a) Principal and Interest in respect of Bearer Notes

Payments of principal and interest (which shall include the Redemption Amount and the Early Redemption Amount) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of any Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(b) Principal and Interest in respect of Registered Notes

(i) Payments of principal in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).

(ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency.

(c) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Issuing and Paying Agent, the Agent Bank, the Transfer Agent and the Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Agent Bank, any Transfer Agent and the Registrar and to appoint additional or other Issuing and Paying Agents, Agent Banks, Transfer Agents and Registrars, provided that it will at all times maintain (i) an Issuing and Paying Agent having a specified office in Singapore, (ii) an Agent Bank having a specified office in Singapore, (iii) a Transfer Agent in relation to Registered Notes, having a specified office in Singapore and (iv) a Registrar in relation to Registered Notes, having a specified office in Singapore.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 16.

The Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee, without the consent of any holder of any Note or Coupon for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee, adversely affect the interests of the holders of the Notes or the Coupons.

(e) Unmatured Coupons and unexchanged Talons

(i) Bearer Notes which comprise Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Note comprising a Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(f) Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Issuing and Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Issuing and Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the Issuer.

8. Taxation

All payments in respect of the Notes and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore); or

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

9. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three years from the appropriate Relevant Date for payment.

10. Events of Default

If any of the following events ("**Events of Default**") occurs the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, give notice to the Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

(a) the Issuer does not pay (i) any principal payable by it under any of the Notes at the place at and in the currency in which it is expressed to be payable when due or (ii) any interest payable by it under any of the Notes at the place at and in the currency in which it is expressed to be payable within three business days of its due date;

(b) the Issuer does not perform or comply with any one or more of its obligations (other than the payment obligation of the Issuer referred to in paragraph (a)) under any of the Issue Documents (as defined in the Trust Deed) or any of the Notes and, if in the opinion of the Trustee that default is capable of remedy, it is not in the opinion of the Trustee remedied within 21 days of the Trustee giving written notice of the failure to perform or comply to the Issuer;

(c) any representation, warranty or statement by the Issuer in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and, if in the opinion of the Trustee the event resulting in such non-compliance or incorrect representation, warranty or statement is capable of remedy, it is not in the opinion of the Trustee remedied within 21 days of the Trustee giving written notice of such non-compliance or incorrect representation, warranty or statement to the Issuer;

(d) (i) any other indebtedness of the Issuer or any of its Principal Subsidiaries in respect of borrowed moneys is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due; or

(ii) the Issuer or any of its Principal Subsidiaries fails to pay when properly called upon to do so and within the period specified in the demand any guarantee of indebtedness for borrowed moneys.

No Event of Default will occur under paragraph (d)(i) or (d)(ii) above if the aggregate amount of the indebtedness for borrowed moneys or guarantee of indebtedness for borrowed moneys falling within paragraphs (d)(i) and (d)(ii) above is less than S$5,000,000 (or its equivalent in any other currency or currencies);

(e) the Issuer or any of its Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or any part of (or of a particular type of) its indebtedness (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the indebtedness of the Issuer or any of its Principal Subsidiaries;

(f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days;

(g) any security on or over the whole or any material part of the property or assets of the Issuer or any of its Principal Subsidiaries becomes enforceable;

(h) an application or an originating summons is presented or an order is made or a resolution is passed with a view to the winding-up of the Issuer or any of its Principal Subsidiaries or for the appointment of a liquidator (including a provisional liquidator) or judicial manager (except for a voluntary winding-up of a Principal Subsidiary not involving insolvency and which does not have a material adverse effect on the Issuer) or any step is taken by any person for the appointment of a receiver, trustee, administrator, agent or similar officer of the Issuer or any of its Principal Subsidiaries or over the whole or any material part of the property or assets of the Issuer or any of its Principal Subsidiaries;

(i) the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or a material part of its Business (as defined in the Trust Deed) (except, in the case of a Principal Subsidiary only, for the purposes of a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or the Noteholders by an Extraordinary Resolution before such cessation or threat to cease occurs) or the Issuer or any of its Principal Subsidiaries makes any disposal that is in breach of Clause 16.30 of the Trust Deed;

(j) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or any part of the assets of the Issuer or any of its Principal Subsidiaries;

(k) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 15.3 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

(l) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Issue Documents or any of the Notes;

(m) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the Issuer not) to be the legal and valid obligations of the Issuer, binding upon it in accordance with its terms;

(n) any litigation, arbitration or administrative proceeding against the Issuer or any of its Principal Subsidiaries is current or pending (other than those of a frivolous or vexatious nature and which are discharged within 21 days of its commencement) (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the Issuer under any of the Issue Documents or any of the Notes or (ii) which has or could have a material adverse effect on the Issuer;

(o) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (e), (f), (g), (h) or (j); and

(p) the Issuer or any of its Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore.

In these Conditions,

(1) "**Principal Subsidiary**" means, at any particular time, any subsidiary of the Issuer:

    (aa) whose total assets, as shown in the latest audited accounts (consolidated in the case of a corporation which itself has subsidiaries) of such subsidiary based upon which the latest audited consolidated accounts of the Issuer have been prepared, are at least 10 per cent. of the total assets of the Issuer as shown in the latest audited consolidated accounts of the Issuer;

    (bb) whose profit before tax, as shown in the latest audited accounts (consolidated in the case of a corporation which itself has subsidiaries) of such subsidiary based upon which the latest audited consolidated accounts of the Issuer have been prepared, are at least 10 per cent. of the consolidated profit before tax of the Issuer as shown in the latest audited consolidated accounts of the Issuer; or

    (cc) whose total revenue, as shown in the latest audited accounts (consolidated in the case of a corporation which itself has subsidiaries) of such subsidiary based upon which the latest audited consolidated accounts of the Issuer have been prepared, are at least 10 per cent. of the total revenue of the Issuer as shown in the latest audited consolidated accounts of the Issuer, provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or any part of its business, undertaking or assets to another subsidiary or the Issuer (the "**transferee**") then:

(A) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary; and

(B) if a part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Issuer) shall thereupon become a Principal Subsidiary.

A subsidiary which becomes a Principal Subsidiary by virtue of (A) above or which remains or becomes a Principal Subsidiary by virtue of (B) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets, profit before tax or, as the case may be, total revenue of such subsidiary, as shown by the accounts (consolidated in the case of a corporation which itself has subsidiaries) of such subsidiary, based upon which the audited consolidated accounts have been prepared, to be less than 10 per cent. of the total assets, profit before tax or, as the case may be, total revenue of the Group, as shown by such audited consolidated accounts. A report by the Auditors (as defined in the Trust Deed) who shall also be responsible for reviewing any pro forma accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(2) "**subsidiary**" has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore.

11. Enforcement of Rights

At any time after an Event of Default shall have occurred or after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes, together with accrued interest, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded by the Noteholders to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

12. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Noteholders holding not less than one-tenth of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early

Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

13. Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 16, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes of any Series and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly.

15. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of its subsidiaries without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

16. Notices

Notices to the holders of Bearer Notes will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. Notices to the holders of Registered Notes shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

So long as the Notes are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, there may be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relevant Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Certificates). Whilst the Notes are represented by a Global Security or a Global Certificate, such notice may be given by any Noteholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identities and addresses of all the Noteholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

17. Governing Law and Jurisdiction

(a) Governing Law

The Notes, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Notes or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes or the Coupons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

18. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

Issuing and Paying Agent, Agent Bank, Registrar and Transfer Agent

DBS Bank Ltd.
10 Toh Guan Road
#04-11 (Level 4B)
DBS Asia Gateway
Singapore 608838

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Perpetual Securities in definitive form issued in exchange for the Global Security(ies) or the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Perpetual Securities. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on such Bearer Perpetual Securities or on the Certificates relating to such Registered Perpetual Securities. References in the Conditions to "Perpetual Securities" are to the Perpetual Securities of one Series only, not to all Perpetual Securities that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Perpetual Securities and in the relevant Pricing Supplement.

The Perpetual Securities are constituted by a trust deed dated 8 May 2013 made between (1) Vibrant Group Limited (formerly known as Freight Links Express Holdings Limited) (the "**Issuer**") and (2) DBS Trustee Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Perpetual Securityholders (as defined below), (as amended and supplemented by an amendment and restatement trust deed dated 25 March 2014 and a supplemental trust deed dated 8 August 2017, in each case, made between the same parties, and as further amended, restated and supplemented from time to time, the "**Trust Deed**") and (where applicable) the Perpetual Securities are issued with the benefit of a deed of covenant dated 8 May 2013 (as supplemented by a supplemental deed of covenant dated 25 March 2014 and as further amended, varied or supplemented from time to time, the "**Deed of Covenant**"), relating to the Perpetual Securities executed by the Issuer. These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Perpetual Securities, Certificates, Coupons and Talons referred to below. The Issuer has entered into an agency agreement dated 8 May 2013 made between (1) the Issuer, (2) DBS Bank Ltd., as issuing and paying agent (in such capacity, the "**Issuing and Paying Agent**") and agent bank (in such capacity, the "**Agent Bank**"), and (3) the Trustee, as trustee (as amended and restated by an agency amendment and restatement agreement dated 25 March 2014 made between (1) the Issuer, (2) the Issuing and Paying Agent (and, together with any other paying agents that may be appointed, the "**Paying Agents**"), (3) the Agent Bank, (4) DBS Bank Ltd., as transfer agent (and, together with any other transfer agents that may be appointed, the "**Transfer Agents**"), (5) DBS Bank Ltd., as registrar (in such capacity, the "**Registrar**"), and (6) the Trustee, as trustee, and as further amended, restated and supplemented from time to time, the "**Agency Agreement**"). The Perpetual Securityholders and the holders (the "**Couponholders**") of the distribution coupons (the "**Coupons**") appertaining to the Perpetual Securities in bearer form and, where applicable in the case of such Perpetual Securities, talons for further Coupons (the "**Talons**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the Deed of Covenant.

Copies of the Trust Deed, the Agency Agreement and the Deed of Covenant are available for inspection at the principal office of the Trustee for the time being and at the specified office of the Issuing and Paying Agent for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Perpetual Securities of the Series of which this Perpetual Security forms part (in these Conditions, the "**Perpetual Securities**") are issued in bearer form ("**Bearer Perpetual Securities**") or in registered form ("**Registered Perpetual Securities**") in each case in the Denomination Amount shown hereon.

(ii) This Perpetual Security is a Fixed Rate Perpetual Security or a Floating Rate Perpetual Security (depending upon the Distribution Basis shown on its face).

(iii) Bearer Perpetual Securities are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached.

(iv) Registered Perpetual Securities are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Perpetual Securities by the same holder.

(b) Title

(i) Title to the Bearer Perpetual Securities and the Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Perpetual Securities shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Perpetual Security, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Perpetual Security, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Perpetual Security, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Perpetual Securities is represented by a Global Security (as defined below) or, as the case may be, a Global Certificate (as defined below) and such Global Security or Global Certificate is held by a common depositary for Euroclear Bank SA/NV, ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save for manifest or proven error) shall be treated by the Issuer, the Issuing and Paying Agent, the Paying Agents, the Agent Bank, the Registrar, the Transfer Agents, all other agents of the Issuer and the Trustee as the holder of such principal amount of Perpetual Securities other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Perpetual Securities, for which purpose the bearer of the Global Security or, as the case may be, the person whose name is shown on the Register shall be treated by the Issuer, the Issuing and Paying Agent, the Paying Agents, the Agent Bank, the Registrar, the Transfer Agents, all other agents of the Issuer and the Trustee as the holder of such Perpetual Securities in accordance with and subject to the terms of the Global Security or, as the case may be, the Global Certificate (and the expressions "**Perpetual Securityholder**" and "**holder of Perpetual Securities**" and related expressions shall be construed accordingly). Perpetual Securities which are represented by the Global Security or, as the case may be, the Global Certificate and held by Euroclear, Clearstream, Luxembourg and/or the Depository, will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

(iv) In these Conditions, "**Global Security**" means the relevant Temporary Global Security representing each Series or the relevant Permanent Global Security representing each Series, "**Global Certificate**" means the relevant Global Certificate representing each Series that is registered in the name of, or in the name of a nominee of, (1) a common depositary for Euroclear and/or Clearstream, Luxembourg, (2) the Depository and/or (3) any other clearing system, "**Perpetual Securityholder**" means the bearer of any Bearer Perpetual Security or the person in whose name a Registered Perpetual Security is registered (as the case may be) and "**holder**" (in relation to a Perpetual Security, Coupon or Talon) means the bearer of any Bearer Perpetual Security, Coupon or Talon or the person in whose name a Registered Perpetual Security is registered (as the case may be), "**Series**" means a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of distribution and "**Tranche**" means Perpetual Securities which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. No Exchange of Perpetual Securities and Transfers of Registered Perpetual Securities

(a) No Exchange of Perpetual Securities: Registered Perpetual Securities may not be exchanged for Bearer Perpetual Securities. Bearer Perpetual Securities of one Denomination Amount may not be exchanged for Bearer Perpetual Securities of another Denomination Amount. Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities.

(b) Transfer of Registered Perpetual Securities: Subject to Conditions 2(e) and 2(f) below, one or more Registered Perpetual Securities may be transferred upon the surrender (at the specified office of the Registrar or any other Transfer Agent) of the Certificate representing such Registered Perpetual Securities to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or such other Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Registered Perpetual Securities represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Perpetual Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Perpetual Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Perpetual Securityholder upon request.

(c) Exercise of Options or Partial Redemption in Respect of Registered Perpetual Securities: In the case of an exercise of an Issuer's option in respect of, or a partial redemption of, a holding of Registered Perpetual Securities represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Perpetual Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Securities of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any other Transfer Agent. In the case of a transfer of Registered Perpetual Securities to a person who is already a holder of Registered Perpetual Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates: Each new Certificate to be issued pursuant to Condition 2(b) or 2(c) shall be available for delivery within five business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such other Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for general business in the place of the specified office of the Registrar or the other relevant Transfer Agent (as the case may be).

(e) **Transfers Free of Charge**: Transfers of Perpetual Securities and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the other Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Registrar or the other relevant Transfer Agent may require) in respect of tax or charges.

(f) **Closed Periods**: No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered (i) during the period of 15 days prior to any date on which the Perpetual Securities may be called for redemption by the Issuer at its option pursuant to Condition 5(b), (ii) after any such Perpetual Security has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(b)(ii)).

3. Status

(a) **Senior Perpetual Securities**: This Condition 3(a) applies to Perpetual Securities that are Senior Perpetual Securities (being the Perpetual Securities that specify their status as senior in the applicable Pricing Supplement). The Senior Perpetual Securities and Coupons relating to them constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

(b) **Subordinated Perpetual Securities**: This Condition 3(b) applies to Perpetual Securities that are Subordinated Perpetual Securities (being the Perpetual Securities that specify their status as subordinated in the applicable Pricing Supplement).

(i) **Status of Subordinated Perpetual Securities**

The Subordinated Perpetual Securities and Coupons relating to them constitute direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves and *pari passu* with any Parity Obligations of the Issuer. The rights and claims of the Perpetual Securityholders and Couponholders in respect of the Subordinated Perpetual Securities are subordinated as provided in this Condition 3(b).

In these Conditions, "**Parity Obligation**" means any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Subordinated Perpetual Securities and (2) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

(ii) **Ranking of claims on Winding-up**

Subject to the insolvency laws of Singapore and other applicable laws, in the event of the winding-up of the Issuer, the rights of the Perpetual Securityholders and Couponholders to payment of principal of and distribution on the Subordinated Perpetual Securities and the Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Issuer but at least *pari passu* with all other subordinated obligations of the Issuer that are not expressed by their terms to rank junior to the Subordinated Perpetual Securities and in priority to the claims of shareholders of the Issuer and/or as otherwise specified in the applicable Pricing Supplement.

(iii) **No set-off**

Subject to applicable law, no holder of Subordinated Perpetual Securities or any Coupons relating to them may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them, and each holder of Subordinated Perpetual Securities or any Coupons relating to them shall, by virtue of his holding of any Subordinated Perpetual Securities or Coupons relating to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of Subordinated Perpetual Securities or any Coupons relating to them by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities or Coupons relating to them is discharged by set-off, such holder of Subordinated Perpetual Securities or any Coupons relating to them shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

4. Distribution and other Calculations

(I) Distribution on Fixed Rate Perpetual Securities

(a) Distribution Rate and Accrual

Each Fixed Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security at the rate per annum (expressed as a percentage) equal to the Distribution Rate shown on the face of such Perpetual Security payable in arrear on each Distribution Payment Date or Distribution Payment Dates shown on the face of such Perpetual Security in each year.

The first payment of distribution will be made on the Distribution Payment Date next following the Distribution Commencement Date (and if the Distribution Commencement Date is not a Distribution Payment Date, will amount to the Initial Broken Amount shown on the face of such Perpetual Security).

Distribution will cease to accrue on each Fixed Rate Perpetual Security from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the principal is improperly withheld or refused, in which event distribution at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) to the Relevant Date (as defined in Condition 7).

(b) Distribution Rate

The Distribution Rate applicable to each Fixed Rate Perpetual Security shall be:

(i) (if no Reset Date is specified in the applicable Pricing Supplement),

(1) if no Step-Up Margin is specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security; or

(2) if a Step-Up Margin is specified in the applicable Pricing Supplement, (A) for the period from (and including) the Distribution Commencement Date to (but excluding) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (B) for the period from (and including) the Step-Up Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security plus the Step-Up Margin (as specified in the applicable Pricing Supplement); and

(ii) (if a Reset Date is specified in the applicable Pricing Supplement), (1) for the period from (and including) the Distribution Commencement Date to (but excluding) the First Reset Date specified in the applicable Pricing Supplement, the rate shown on the face of such Perpetual Security and (2) for the period from (and including) the First

Reset Date and each Reset Date (as shown in the applicable Pricing Supplement) falling thereafter to (but excluding) the immediately following Reset Date, the Reset Distribution Rate,

Provided always that if Redemption upon a Change of Shareholding Event is specified on the face of such Perpetual Security and a Change of Shareholding Event Margin is specified in the applicable Pricing Supplement, in the event that a Change of Shareholding Event (as defined in Condition 5(f)) has occurred, so long as the Issuer has not already redeemed the Perpetual Securities in accordance with Condition 5(f), the then prevailing Distribution Rate shall be increased by the Change of Shareholding Event Margin with effect from (and including) the Distribution Payment Date immediately following the date on which the Change of Shareholding Event occurred (or, if the Change of Shareholding Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

For the purposes of these Conditions:

"**Reset Distribution Rate**" means the Swap Offer Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement) plus the Change of Shareholding Event Margin (if applicable); and

"**Swap Offer Rate**" means:

(aa) the rate per annum (expressed as a percentage) notified by the Agent Bank to the Issuer equal to the swap offer rate published by the Association of Banks in Singapore (or such other equivalent body) for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement on the second business day prior to the relevant Reset Date (the "**Reset Determination Date**");

(bb) if on the Reset Determination Date, there is no swap offer rate published by the Association of Banks in Singapore (or such other equivalent body), the Agent Bank will determine the swap offer rate for such Reset Period (determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates (excluding the highest and the lowest rates) which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or if the Agent Bank determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Agent Bank after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on each of the five consecutive business days prior to and ending on the Reset Determination Date);

(cc) if on the Reset Determination Date, rates are not available on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or if the Agent Bank determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Agent Bank after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five consecutive business days, the swap offer rate will be the rate per annum notified by the Agent Bank to the Issuer equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates which are available in such five-consecutive-business-day period or, if only one rate is available in such five-consecutive-business-day period, such rate; and (dd) if on the Reset Determination Date, no rate is available on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or if the Agent Bank determines that such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Agent Bank after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business in such five-consecutive-business-day period, the Agent Bank will request the principal Singapore offices of the Reference Banks to provide the Agent Bank with quotation(s) of their swap offer rates for a period equivalent to the duration of the Reset Period at the close of business on the Reset Determination Date. The swap offer rate for such Reset Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations, as determined by the Agent Bank or, if only one of the Reference Banks provides the Agent Bank with such quotation, such rate quoted by that Reference Bank,

provided that, in each case, in the event the Swap Offer Rate is less than zero, the Swap Offer Rate shall be equal to zero per cent. per annum.

(c) Calculation of Distribution Rate or Reset Distribution Rate

The Agent Bank will, on the second business day prior to each Fixed Rate Determination Date, determine the applicable Distribution Rate or Reset Distribution Rate payable in respect of each Perpetual Security. The determination of any rate, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

In these Conditions, "**Fixed Rate Determination Date**" means each Step-Up Date, each Reset Date or (if a Change of Shareholding Event has occurred) the Distribution Payment Date immediately following the date on which the Change of Shareholding Event occurred (or, if the Change of Shareholding Event occurs on or after the date which is two business days prior to the immediately following Distribution Payment Date, the next following Distribution Payment Date).

(d) Publication of Relevant Distribution Rate or Reset Distribution Rate

The Agent Bank will cause (if a Step-Up Margin is specified in the applicable Pricing Supplement) the applicable Distribution Rate, the applicable Reset Distribution Rate or (if a Change of Shareholding Event has occurred) the applicable Distribution Rate determined by it to be notified to the Issuing and Paying Agent, the Trustee, the Registrar and the Issuer as soon as practicable after their determination but in no event later than the fourth business day thereafter. If so required by the Issuer, the Agent Bank will also cause notice of the then applicable Distribution Rate or Reset Distribution Rate to be notified to the Perpetual Securityholders in accordance with Condition 14 after their determination. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Agent Bank will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and the Perpetual Securityholders.

(e) Determination or Calculation by Trustee

If the Agent Bank does not at any material time for any reason so determine the applicable Distribution Rate or Reset Distribution Rate, the Trustee shall do so and such determination or calculation shall be deemed to have been made by the Agent Bank. In doing so, the Trustee shall apply the provisions of this Condition 4(I), with any necessary consequential amendments, to the extent that, in its opinion, it can do so and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(f) Calculations

In the case of a Fixed Rate Perpetual Security, distribution in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Perpetual Security. The amount of distribution payable per Calculation Amount (as defined in Condition 4(II)(c)) for any Fixed Rate Distribution Period in respect of any Fixed Rate Perpetual Security shall be calculated by multiplying the product of the Distribution Rate or Reset Distribution Rate and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency (with halves rounded up).

In these Conditions, "**Fixed Rate Distribution Period**" means the period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) an Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date.

(II) Distribution on Floating Rate Perpetual Securities

(a) Distribution Payment Dates

Each Floating Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding from the Distribution Commencement Date in respect thereof and as shown on the face of such Perpetual Security, and such distribution will be payable in arrear on each distribution payment date ("**Distribution Payment Date**"). Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Date(s) or, if no Specified Distribution Payment Date(s) is/are shown hereon, Distribution Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Distribution Period on the face of the Perpetual Security (the "**Specified Number of Months**") after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date (and which corresponds numerically with such preceding Distribution Payment Date or the Distribution Commencement Date, as the case may be). If any Distribution Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on (and including) the Distribution Commencement Date and ending on (but excluding) the first Distribution Payment Date and each successive period beginning on (and including) a Distribution Payment Date and ending on (but excluding) the next succeeding Distribution Payment Date is herein called a "**Distribution Period**".

Distribution will cease to accrue on each Floating Rate Perpetual Security from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event distribution will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) and the Agency Agreement to the Relevant Date.

(b) Rate of Distribution - Floating Rate Perpetual Securities

(i) Each Floating Rate Perpetual Security confers a right to receive distribution on its principal amount outstanding at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Perpetual Security, being (in the case of Perpetual Securities which are denominated in Singapore dollars) SIBOR (in which case such Perpetual Security will be a SIBOR Perpetual Security) or Swap Rate (in which case such Perpetual Security will be a Swap Rate Perpetual Security) or in any other case (or in the case of Perpetual Securities which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Perpetual Security.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Perpetual Security. The "Spread" is the percentage rate per annum specified on the face of such Perpetual Security as being applicable to the rate of distribution for such Perpetual Security. The rate of distribution so calculated shall be subject to Condition 4(III)(a) below.

The rate of distribution payable in respect of a Floating Rate Perpetual Security from time to time is referred to in these Conditions as the "**Rate of Distribution**".

(ii) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security will be determined by the Agent Bank on the basis of the following provisions:

(1) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);

(B) if on any Distribution Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page as aforesaid) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will request the principal Singapore offices of each of the Reference Banks to provide the Agent Bank with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Distribution Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations and as adjusted by the Spread (if any), as determined by the Agent Bank;

(C) if on any Distribution Determination Date, two but not all the Reference Banks provide the Agent Bank with such quotations, the Rate of Distribution for the relevant Distribution Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Distribution Determination Date, one only or none of the Reference Banks provides the Agent Bank with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Distribution Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities:

(A) the Agent Bank will, at or about the Relevant Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" and under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period and as adjusted by the Spread (if any);

(B) if on any Distribution Determination Date, no such rate is quoted on the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or the Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Agent Bank will determine the Rate of Distribution for such Distribution Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest 1/16 per cent.)) for a period equal to the duration of such Distribution Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as may be agreed between the Agent Bank and the Issuer and as adjusted by the Spread (if any); and

(C) if on any Distribution Determination Date, the Agent Bank is otherwise unable to determine the Rate of Distribution under paragraph (b)(ii)(2)(B) above or if no agreement on the relevant authority is reached between the Agent Bank and the Issuer under paragraph (b)(ii)(2)(B) above, the Rate of Distribution shall be determined by the Agent Bank to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Agent Bank at or about 11.00 a.m. (Singapore time) on the first business day following such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Agent Bank with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Distribution Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Perpetual Securities which are not SIBOR Perpetual Securities or Swap Rate Perpetual Securities or which are denominated in a currency other than Singapore dollars, the Agent Bank will determine the Rate of Distribution in respect of any Distribution Period at or about the Relevant Time on the Distribution Determination Date in respect of such Distribution Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Distribution in respect of such Distribution Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Distribution Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Distribution Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Distribution Determination Date, subject as provided below, the Rate of Distribution shall be the rate per annum which the Agent Bank determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Distribution Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Agent Bank determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date.

(iii) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.

(iv) For the avoidance of doubt, in the event that the Rate of Distribution in relation to any Distribution Period is less than zero, the Rate of Distribution in relation to such Distribution Period shall be equal to zero.

(c) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Perpetual Security, (a) a day (other than a Saturday or Sunday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (b) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in the country of the Issuing and Paying Agent's specified office and (c) (if a payment is to be made on that day) (i) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Perpetual Securities denominated in Euros) a day (other than a Saturday or Sunday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

"**Calculation Amount**" means the amount specified as such on the face of any Perpetual Security or, if no such amount is so specified, the Denomination Amount of such Perpetual Security as shown on the face thereof;

"**Day Count Fraction**" means, in respect of the calculation of an amount of distribution in accordance with Condition 4:

(i) if "Actual/Actual" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 365 (or, if any portion of that Fixed Rate Distribution Period or, as the case may be, Distribution Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Fixed Rate Distribution Period or, as the case may be, Distribution Period falling in a non-leap year divided by 365);

(ii) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 360;

(iii) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period in respect of which payment is being made divided by 365; and

(iv) if "30/360" is specified in the applicable Pricing Supplement, the number of days in (in the case of Fixed Rate Perpetual Securities) the Fixed Rate Distribution Period or (in the case of Floating Rate Perpetual Securities) the Distribution Period divided by 30, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, the Distribution Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Fixed Rate Distribution Period or, as the case may be, the Distribution Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Fixed Rate Distribution Period or, as the case may be, the Distribution Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;";

"**Distribution Commencement Date**" means the Issue Date or such other date as may be specified as the Distribution Commencement Date on the face of such Perpetual Security;

"**Distribution Determination Date**" means, in respect of any Distribution Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Perpetual Security;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Agent Bank;

"**Reference Banks**" means the institutions specified as such hereon or, if none, three major banks selected by the Agent Bank in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Perpetual Securities are denominated;

"**Relevant Financial Centre**" means, in the case of distribution to be determined on a Distribution Determination Date with respect to any Floating Rate Perpetual Security, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Distribution Period;

"**Relevant Time**" means, with respect to any Distribution Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Calculations

(a) Determination of Rate of Distribution and Calculation of Distribution Amounts

The Agent Bank will, as soon as practicable after the Relevant Time on each Distribution Determination Date determine the Rate of Distribution and calculate the amount of distribution payable (the "**Distribution Amounts**") in respect of each Calculation Amount of the relevant Floating Rate Perpetual Securities for the relevant Distribution Period. The amount of distribution payable per Calculation Amount in respect of any Floating Rate Perpetual Security shall be calculated by multiplying the product of the Rate of Distribution and the Calculation Amount, by the Day Count Fraction shown on the Perpetual Security and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Agent Bank shall (in the absence of manifest or proven error) be final and binding upon all parties.

(b) Notification

The Agent Bank will cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to the Issuing and Paying Agent, the Trustee and the Issuer as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Perpetual Securities, if so required by the Issuer, the Agent Bank will also cause the Rate of Distribution and the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 14 as soon as possible after their determination. The Distribution Amounts and the Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Distribution Period by reason of any Distribution Payment Date not being a business day. If an Enforcement Event occurs in relation to the Floating Rate Perpetual Securities, the Rate of Distribution and Distribution Amounts payable in respect of the Floating Rate Perpetual Securities shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Distribution and Distribution Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Agent Bank does not at any material time determine or calculate the Rate of Distribution for a Distribution Period or any Distribution Amount, the Trustee shall do so. In doing so, the Trustee shall apply the provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Agent Bank and Reference Banks

The Issuer will procure that, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Perpetual Security remains outstanding, there shall at all times be an Agent Bank. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Agent Bank is unable or unwilling to act as such or if the Agent Bank fails duly to establish the Rate of Distribution for any Distribution Period or to calculate the Distribution Amounts, the Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Agent Bank may not resign from its duties without a successor having been appointed as aforesaid.

(IV) Distribution Discretion

(a) Optional Payment

If Optional Payment is set out hereon, the Issuer may, at its sole discretion, elect not to pay a distribution (or to pay only part of a distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an "**Optional Payment Notice**") to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 10 nor less than five business days (or such other notice period as may be specified hereon) prior to a scheduled Distribution Payment Date.

If a Dividend Pusher is set out hereon, the Issuer may not elect to defer any distribution if during the "Reference Period" (as specified in the applicable Pricing Supplement) ending on the day before that scheduled Distribution Payment Date, either or both of the following (each such event a "**Compulsory Distribution Payment Event**") have occurred:

(i) a dividend, distribution or other payment has been declared or paid on or in respect of any of the Issuer's Junior Obligations or (except on a *pro-rata* basis) any of the Issuer's Specified Parity Obligations; or

(ii) any of the Issuer's Junior Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration or (except on a *pro-rata* basis) any of the Issuer's Specified Parity Obligations has been redeemed, reduced, cancelled, bought back or acquired for any consideration,

In these Conditions,

(A) "**Junior Obligation**" means any ordinary shares of the Issuer and any class of the Issuer's share capital and any other instruments or securities (including without limitation any preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Perpetual Securities; and

(B) "**Specified Parity Obligations**" means any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by the Issuer (aa) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Perpetual Securities and (bb) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof.

If a Dividend Pusher is set out hereon, each Optional Payment Notice shall be accompanied, in the case of the notice to the Trustee and the Issuing and Paying Agent, by a certificate signed by a director or a duly authorised officer of the Issuer confirming that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred during the relevant Reference Period and the Trustee and the Issuing and Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or any other person on any Optional Payment Notice or any certificate as aforementioned. Each Optional Payment Notice shall be conclusive and binding on the Perpetual Securityholders.

(b) No obligation to pay

If Optional Payment is set out hereon and subject to Condition 4(IV)(c) and Condition 4(IV)(d), the Issuer shall have no obligation to pay any distribution on any Distribution Payment Date and any failure to pay a distribution in whole or in part shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) Non-Cumulative Deferral and Cumulative Deferral

(i) If Non-Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) is non-cumulative and will not accrue interest. The Issuer is not under any obligation to pay that or any other distributions that have not been paid in whole or in part. The Issuer may, at its sole discretion, and at any time, elect to pay an amount up to the amount of distribution which is unpaid ("**Optional Distribution**") (in whole or in part) by complying with the notice requirements in Condition 4(IV)(e). There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay distributions pursuant to this Condition 4(IV).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the holders of all outstanding Perpetual Securities and the Coupons related to them on a *pro-rata* basis.

(ii) If Cumulative Deferral is set out hereon, any distribution deferred pursuant to this Condition 4(IV) shall constitute "**Arrears of Distribution**". The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4(IV)(a)) further defer any Arrears of Distribution by complying with the foregoing notice requirement applicable to any deferral of an accrued distribution. The Issuer is not subject to any limit as to the number of times distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4(IV) except that this Condition 4(IV)(c) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

(iii) If Additional Distribution is set out hereon, each amount of Arrears of Distribution shall bear interest as if it constituted the principal of the Perpetual Securities at the Distribution Rate or Rate of Distribution (as the case may be) and the amount of such interest (the "**Additional Distribution Amount**") with respect to Arrears of Distribution shall be due and payable pursuant to this Condition 4 and shall be calculated by applying the applicable Distribution Rate or Rate of Distribution (as the case may be) to the amount of the Arrears of Distribution and otherwise *mutatis mutandis* as provided in the foregoing provisions of this Condition 4. The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(d) Restrictions in the case of Non-Payment

If Dividend Stopper is set out hereon and on any Distribution Payment Date, payments of all distribution scheduled to be made on such date are not made in full by reason of this Condition 4(IV), the Issuer shall not and shall procure that none of its subsidiaries shall:

(i) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Issuer's Junior Obligations or (except on a *pro-rata* basis) any of the Issuer's Specified Parity Obligations; or

(ii) redeem, reduce, cancel, buy-back or acquire for any consideration and will procure that no redemption, reduction, cancellation, buy-back or acquisition for any consideration is made in respect of any of the Issuer's Junior Obligations or (except on a *pro-rata* basis) any of the Issuer's Specified Parity Obligations,

in each case unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the Issuer has satisfied in full all outstanding Arrears of Distribution, (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities has occurred, the next scheduled distribution has been paid in full or an Optional Distribution equal to the amount of a distribution payable with respect to the most recent Distribution Payment

Date that was unpaid in full or in part, has been paid in full or (C) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders and/or as otherwise specified in the applicable Pricing Supplement.

(e) Satisfaction of Optional Distribution or Arrears of Distribution

The Issuer:

(i) may, at its sole discretion, satisfy an Optional Distribution or Arrears of Distribution, as the case may be (in whole or in part) at any time by giving notice of such election to the Trustee and the Issuing and Paying Agent and the Perpetual Securityholders (in accordance with Condition 14) not more than 20 nor less than 10 business days (or such other notice period as may be specified hereon) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution or Arrears of Distribution on the payment date specified in such notice); and

(ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:

(1) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 5 (as applicable);

(2) the next Distribution Payment Date following the occurrence of a breach of Condition 4(IV)(d) or following the occurrence of a Compulsory Distribution Payment Event; and

(3) the date such amount becomes due under Condition 9 or on a winding-up of the Issuer.

Any partial payment of an Optional Distribution or Arrears of Distribution, as the case may be, by the Issuer shall be shared by the Perpetual Securityholders of all outstanding Perpetual Securities on a *pro-rata* basis.

(f) No default

Notwithstanding any other provision in these Conditions, the non-payment of any distribution payment in accordance with this Condition 4(IV) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 9) on the part of the Issuer under the Perpetual Securities.

5. Redemption and Purchase

(a) No Fixed Redemption Date

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3 and without prejudice to Condition 9) only have the right (but not the obligation) to redeem or purchase them in accordance with the following provisions of this Condition 5.

(b) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving irrevocable notice to the Perpetual Securityholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Perpetual Securities at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Perpetual Securities shall be at their Redemption Amount, together with distribution accrued (including any Arrears of Distribution and any Additional Distribution Amount) to (but excluding) the date fixed for redemption.

All Perpetual Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Perpetual Securities, the notice to Perpetual Securityholders shall also contain the certificate numbers of the Bearer Perpetual Securities or, in the case of Registered Perpetual Securities, shall specify the principal amount of Registered Perpetual Securities drawn and the holder(s) of such Registered Perpetual Securities, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Perpetual Securities are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Perpetual Securities.

(c) Redemption for Taxation Reasons

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

(i) the Issuer receives a ruling by the Comptroller of Income Tax in Singapore (the "**Comptroller**") (or other relevant authority) which confirms that:

(1) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore ("**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; and/or

(2) the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(ii) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and such obligations cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Trustee:

(1) a certificate signed by a duly authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and

(2) in the case of a notice of redemption pursuant to Condition 5(c)(ii), an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the Issuer has or is likely to become obliged to pay such additional amounts as a result of such change or amendment to the laws (or any regulations, rulings, or other administrative pronouncements promulgated thereunder) of Singapore, or any political subdivision or any authority thereof or therein having power to tax.

(d) Redemption for Accounting Reasons

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, on such Distribution Payment Date or any time prior to or after that Distribution Payment Date, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council, as amended from time to time (the "**SFRS**") or any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of the Issuer (the "**Relevant Accounting Standard**"), the Perpetual Securities will not or will no longer be recorded as "equity" of the Issuer pursuant to the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 5(d), the Issuer shall deliver to the Trustee:

(1) a certificate, signed by the duly authorised officer(s) of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(2) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard has taken effect or is due to take effect.

Upon the expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(d).

(e) Redemption for Tax Deductibility

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distributions (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), if:

(i) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

  (1) any amendment to, or change in, the laws (or any rules or regulations thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date;

  (2) any amendment to, or change in, an official and binding interpretation of any such laws, rules or regulations by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued or becomes effective otherwise on or after the Issue Date; or

  (3) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position issued or announced before the Issue Date,

distributions (including any Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following such Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA; or

(ii) the Issuer receives a ruling from the Comptroller (or other relevant authority) which confirms that the distributions (including any Arrears of Distribution and any Additional Distribution Amount) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.,-

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver or procure that there is delivered to the Trustee:

(1) a certificate, signed by the duly authorised officer(s) of the Issuer stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(2) in the case of a notice of redemption pursuant to Condition 5(e)(i), an opinion of the Issuer's independent tax or legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement has taken place or is due to take effect.

Upon the expiry of any such notice as is referred to in this Condition 5(e), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(e).

(f) Redemption upon a Change of Shareholding Event

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount, (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption), following the occurrence of a Change of Shareholding Event.

For the purposes of these Conditions:

(1) a "**Change of Shareholding Event**" occurs when Mr Eric Khua Kian Keong and his Immediate Family Members cease to own in aggregate (whether directly or indirectly) at least 30 per cent. of the issued share capital of the Issuer; and

(2) "**Immediate Family Members**" means Mr Eric Khua Kian Keong's father, mother, siblings, wife, son(s) and daughter(s).

Upon the expiry of any such notice as is referred to in this Condition 5(f), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(f).

(g) Redemption in the case of Minimal Outstanding Amount

If so provided hereon, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholders (which notice shall be irrevocable), at their Redemption Amount (together with distribution (including any Arrears of Distribution and any Additional Distribution Amount) accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Upon the expiry of any such notice as is referred to in this Condition 5(g), the Issuer shall be bound to redeem the Perpetual Securities in accordance with this Condition 5(g).

(h) Purchases

The Issuer or any of its related corporations may at any time purchase Perpetual Securities at any price (provided that they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Perpetual Securities purchased by the Issuer or any of its related corporations may be surrendered by the purchaser through the Issuer to, in the case of Bearer Perpetual Securities, the Issuing and Paying Agent and, in the case of Registered Perpetual Securities, the Registrar for cancellation or may at the option of the Issuer or relevant related corporation be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(i) Cancellation

All Perpetual Securities purchased by or on behalf of the Issuer or any of its related corporations may be surrendered for cancellation, in the case of Bearer Perpetual Securities, by surrendering each such Perpetual Security together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Perpetual Securities, by surrendering the Certificate representing such Perpetual Securities to the Registrar and, in each case, if so surrendered, shall, together with all Perpetual Securities redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Perpetual Securities or Certificates so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Distribution in respect of Bearer Perpetual Securities

Payments of principal and distribution in respect of Bearer Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Perpetual Securities or Coupons, as the case may be, at the specified office of any Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the holder in that currency with, a bank in the principal financial centre for that currency.

(b) Principal and Distribution in respect of Registered Perpetual Securities

(i) Payments of principal in respect of Registered Perpetual Securities will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(b)(ii).

(ii) Distribution on Registered Perpetual Securities shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of distribution on each Registered Perpetual Security shall be made by a cheque drawn in the currency in which payment is due on and mailed to the holder (or to the first named of joint holders) of such Perpetual Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of distribution may be made by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency.

(c) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Perpetual Securityholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Issuing and Paying Agent, the Agent Bank, the Transfer Agent and the Registrar initially appointed by the Issuer and their specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Agent Bank, any Transfer Agent and the Registrar and to appoint additional or other Issuing and Paying Agents, Agent Banks, Transfer Agents and Registrars, provided that it will at all times maintain (i) an Issuing and Paying Agent having a specified office in Singapore, (ii) an Agent Bank having a specified office in Singapore, (iii) a Transfer Agent in relation to Registered Perpetual Securities, having a specified office in Singapore and (iv) a Registrar in relation to Registered Perpetual Securities, having a specified office in Singapore.

Notice of any such change or any change of any specified office will promptly be given to the Perpetual Securityholders in accordance with Condition 14.

The Agency Agreement may be amended by the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee, without the consent of any holder of any Perpetual Security or Coupon, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee may mutually deem necessary or desirable and which does not, in the reasonable opinion of the Issuer, the Issuing and Paying Agent, the Agent Bank, the Transfer Agent, the Registrar and the Trustee, adversely affect the interests of the holders of the Perpetual Securities or the Coupons.

(e) Unmatured Coupons and unexchanged Talons

(i) Bearer Perpetual Securities which comprise Fixed Rate Perpetual Securities should be surrendered for payment together with all unmatured Coupons (if any) relating to such Perpetual Securities, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of three years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Subject to the provisions of the relevant Pricing Supplement, upon the due date for redemption of any Bearer Perpetual Security comprising a Floating Rate Perpetual Security, unmatured Coupons relating to such Perpetual Security (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Perpetual Security, any unexchanged Talon relating to such Perpetual Security (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Perpetual Security comprising a Floating Rate Perpetual Security is presented for redemption without all unmatured Coupons, and where any Bearer Perpetual Security is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption or repayment of any Perpetual Security is not a due date for payment of distribution, distribution accrued from the preceding due date for payment of distribution or the Distribution Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Perpetual Security or Certificate.

(f) Talons

On or after the Distribution Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Perpetual Security, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(g) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Perpetual Security or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further distribution or other payment in respect of any such delay.

7. Taxation

All payments in respect of the Perpetual Securities and the Coupons by the Issuer shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Perpetual Securityholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Perpetual Security or Coupon presented (or in respect of which the Certificate representing it is presented) for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Perpetual Security or Coupon or the receipt of any sums due in respect of such Perpetual Security or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore); or

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

As used in these Conditions, "**Relevant Date**" in respect of any Perpetual Security or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Perpetual Securityholders in accordance with Condition 14 that, upon further presentation of the Perpetual Security (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Perpetual Securities, all Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**distribution**" shall be deemed to include all Distribution Amounts and all other amounts payable pursuant to Condition 4 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**distribution**" shall be deemed to include any additional amounts, principal, premium, Redemption Amount or distribution (as the case may be) which may be payable under these Conditions.

8. Prescription

Claims against the Issuer for payment in respect of the Perpetual Securities and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within three years from the appropriate Relevant Date for payment.

9. Non-Payment

(a) Non-payment when due

Notwithstanding any of the provisions below in this Condition 9, the right to institute proceedings for winding-up is limited to circumstances where payment under the Perpetual Securities has become due. In the case of any distribution, such distribution will not be due if the Issuer has elected not to pay that distribution in accordance with Condition 4(IV). In addition, nothing in this Condition 9, including any restriction on commencing proceedings, shall in any way restrict or limit the rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Perpetual Securities or the Trust Deed.

(b) Proceedings for Winding-Up

If (i) a final and effective order is made or an effective resolution is passed for the winding-up of the Issuer or (ii) the Issuer fails to make payment in respect of the Perpetual Securities when due and such failure continues for a period of three business days after the due date (together, the "**Enforcement Events**"), the Issuer shall be deemed to be in default under the Trust Deed and the Perpetual Securities and the Trustee may, subject to the provisions of Condition 9(d), institute proceedings for the winding-up of the Issuer and/or prove in the winding-up of the Issuer and/or claim in the liquidation of the Issuer for such payment.

(c) Enforcement

Without prejudice to Condition 9(b) but subject to the provisions of Condition 9(d), the Trustee may without further notice to the Issuer institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Perpetual Securities or the Trust Deed, as the case may be, (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, including, without limitation, payment of any principal or premium or satisfaction of any distributions (including any damages awarded for breach of any obligations)) provided that in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) Entitlement of Trustee

The Trustee shall not and shall not be obliged to take any of the actions referred to in Condition 9(b) or Condition 9(c) against the Issuer to enforce the terms of the Trust Deed or the Perpetual Securities unless (i) it shall have been so directed by an Extraordinary Resolution of the Perpetual Securityholders or so requested in writing by Perpetual Securityholders holding not less than 25 per cent. in principal amount of the Perpetual Securities outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded by the Perpetual Securityholders to its satisfaction.

(e) Right of Perpetual Securityholders or Couponholder

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up or claim in the liquidation of the Issuer or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up or claim in such liquidation, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 9.

(f) Extent of Perpetual Securityholders' remedy

No remedy against the Issuer, other than as referred to in this Condition 9, shall be available to the Trustee or the Perpetual Securityholders or Couponholders, whether for the recovery of amounts owing in respect of the Trust Deed or the Perpetual Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Trust Deed or the Perpetual Securities (as applicable).

10. Meeting of Perpetual Securityholders and Modifications

The Trust Deed contains provisions for convening meetings of Perpetual Securityholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Perpetual Securities of such Series (including these Conditions insofar as the same may apply to such Perpetual Securities) or any of the provisions of the Trust Deed.

The Trustee or the Issuer at any time may, and the Trustee upon the request in writing by Perpetual Securityholders holding not less than one-tenth of the principal amount of the Perpetual Securities of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Perpetual Securityholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Perpetual Securityholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of redemption of the Perpetual Securities or any date for payment of distribution or Distribution Amounts on the Perpetual Securities, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Perpetual Securities, (c) to reduce the rate or rates of distribution in respect of the Perpetual Securities or to vary the method or basis of calculating the rate or rates of distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Securities, (d) to vary any method of, or basis for, calculating the Redemption Amount, (e) to vary the currency or currencies of payment or denomination of the Perpetual Securities, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (g) to amend the subordination provisions of the Perpetual Securities or (h) to modify the provisions concerning the quorum required at any meeting of Perpetual Securityholders or the majority required to pass the Extraordinary Resolution, will only be binding if passed at a meeting of the Perpetual Securityholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Perpetual Securities may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Perpetual Securityholders. Any such modification, authorisation or waiver shall be binding on the Perpetual Securityholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Perpetual Securityholders as soon as practicable.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Perpetual Securityholders as a class and shall not have regard to the consequences of such exercise for individual Perpetual Securityholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Perpetual Securities by the terms of the relevant Pricing Supplement in relation to such Series.

11. Replacement of Perpetual Securities, Certificates, Coupons and Talons

If a Perpetual Security, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, at the specified office of the Issuing and Paying Agent (in the case of Bearer Perpetual Securities, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other Paying Agent or, as the case may be, Transfer Agent, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Perpetual Securityholders in accordance with Condition 14, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Perpetual Security, Certificate, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Perpetual Security, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Perpetual Securities, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

12. Further Issues

The Issuer may from time to time without the consent of the Perpetual Securityholders or Couponholders create and issue further perpetual securities having the same terms and conditions as the Perpetual Securities of any Series and so that the same shall be consolidated and form a single Series with such Perpetual Securities, and references in these Conditions to "**Perpetual Securities**" shall be construed accordingly.

13. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the Issuer or any of its subsidiaries without accounting to the Perpetual Securityholders or Couponholders for any profit resulting from such transactions.

Each Perpetual Securityholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee shall not at any time have any responsibility for the same and each Perpetual Securityholder shall not rely on the Trustee in respect thereof.

14. Notices

Notices to the holders of Bearer Perpetual Securities will be valid if published in a daily newspaper of general circulation in Singapore (or, if the holders of any Series of Perpetual Securities can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in The Business Times. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. Notices to the holders of Registered Perpetual Securities shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Perpetual Securities in accordance with this Condition 14.

So long as the Perpetual Securities are represented by a Global Security or a Global Certificate and such Global Security or Global Certificate is held in its entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, there may be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/ or (subject to the agreement of the Depository) the Depository for communication by it to the Perpetual Securityholders, except that if the Perpetual Securities are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Perpetual Securityholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Perpetual Securityholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same, together with the relevant Perpetual Security or Perpetual Securities, with the Issuing and Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Certificates). Whilst the Perpetual Securities are represented by a Global Security or a Global Certificate, such notice may be given by any Perpetual Securityholder to the Issuing and Paying Agent or, as the case may be, the Registrar through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identities and addresses of all the Perpetual Securityholders are known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

15. Governing Law and Jurisdiction

(a) Governing Law

The Perpetual Securities, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Perpetual Securities or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Perpetual Securities or the Coupons may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

16. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Perpetual Securities under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

Issuing and Paying Agent, Agent Bank, Registrar and Transfer Agent

DBS Bank Ltd.
10 Toh Guan Road
#04-11 (Level 4B)
DBS Asia Gateway
Singapore 608838

THE ISSUER

A. HISTORY, BACKGROUND AND CORPORATE STRUCTURE

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. Vibrant is a provider of integrated logistics solutions for customers worldwide. The Issuer designs, engineers and manages total logistics solutions, leveraging on its in-depth domain knowledge, innovative capabilities and global logistics infrastructure and harnessing information technology and automation. Through its global network, the Group is able to connect its customers to over 600 destinations throughout the world. The Group's freight and logistics business is supported by operations in Malaysia, Thailand, Hong Kong, South Korea, PRC, Myanmar and Dubai and strong strategic partnerships with over 120 freight forwarding agents worldwide. In 2007, the Group strengthened its freight and logistics businesses by taking a 20% shareholding in Freight Management Holdings Berhad, which is an established international logistics service provider listed on the Kuala Lumpur Stock Exchange ("**Bursa Malaysia**"). The Group currently manages about 2.7 million square feet of warehouse space globally. The Issuer also provides chemical logistics solutions for the petrochemical industry, warehousing property management and logistics services and document storage and management services. In November 2004, the Group acquired a 51% stake in LTH. LTH leverages on core capabilities in the haulage and warehousing of chemicals materials to provide a total supply solution in chemicals management. This strategic acquisition expanded the Group's services into chemical logistics and distribution and further enhances its position as an integrated total logistics solutions provider. The acquisition of LTH also increased the Group's customer base and regional presence in South-East Asia.

Over time, the Group has grown its business from that of being an integrated logistics solution provider to include the business of fund management, financial leasing services and asset and trust management services (the "**Financial Services Business**"), as well as the business of property management, property development and property investment (the "**Real Estate Business**"). As of 25 November 2013, the Financial Services Business and Real Estate Business have been included as part of the core business of the Group, in line with the Group's corporate strategy to provide investors with diversified returns and long-term growth, as well as to provide the Group with more business opportunities and income streams. On 25 November 2013, Freight Links changed its name to Vibrant Group Limited to reflect the Group's new core business activities as well as the Group's diversified business profile.

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

The Group's Finance Services Business provides: (i) fund management through SCPL, (ii) financial leasing and structured financial services in the PRC (including hire purchase, equipment financing, shipping loans, working capital loans, letters of credit, project financing and receivables financing), and (iii) real estate fund and property management service to Sabana REIT through its majority control of SIP.

The market capitalisation of the Group as at 24 July 2017 is S$261.4 million.

As at the Latest Practicable Date, the Group's corporate structure is as set out below:

Vibrant Group Limited

FREIGHT & LOGISTICS

INTERNATIONAL FREIGHT FORWARDING

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

CHEMICAL STORAGE & LOGISTICS

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

OTHERS

- China GSD Logistics Pte Ltd (Convertible Preference Shares)

WAREHOUSING & LOGISTICS

- 100% Freight Links Logistics Pte Ltd
- 100% Freight Links E-Logistics Technopark Pte Ltd
- 100% Freight Links Express Logisticentre Pte Ltd
- 100% Freight Links Express Logisticpark Pte Ltd
- 100% Freight Links Properties Pte Ltd
- 100% Crystal Freight Services Distripark Pte Ltd
- 100% Freight Links Express Archivers Pte Ltd
- 65.5% Freight Links (Jiangsu) Co., Ltd
- 65.5% Jiangyin Huan Lian International Trade Co., Ltd
- 100% Sanlu Logistics Co., Ltd
- 20% Busan Cross Dock Co., Ltd
- 31% Vibrant Pucheng Logistics (ChongQing) Co., Ltd

COMMODITY LOGISTICS

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

FINANCIAL SERVICES

REIT MANAGEMENT

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

FUND MANAGEMENT

- 30% Sentosa Capital Pte Ltd

FINANCIAL LEASING

- 51% Sinolink Financial Leasing Co., Ltd

OTHERS

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

REAL ESTATE

PROPERTY DEVELOPMENT & INVESTMENT

- 60% Vibrant Properties Pte Ltd
- 36% DP Master-Vibrant (Jiangyin) Real Estate Development Co., Ltd
- 48% Fervent Industrial Development (Suzhou) Co., Ltd
- 60% Vibrant Investment & Management (Shanghai) Co., Ltd
- 36% Master Development (Jiangyin) Co., Ltd
- 50% Saujana Tiasa Sdn Bhd
- 51% Vibrant DB2 Pte Ltd
- 51% Shentoncil Pte Ltd
- 20.4% Ececil Pte Ltd
- 21% Figtree Holdings Ltd

PROPERTY MANAGEMENT

- 51% Sabana Property Management Pte Ltd

B. BUSINESS

A description of the Group's core business segments and their component services are provided as follows:

Integrated Logistics Services

The Group designs, engineers and manages integrated logistics solutions, leveraging on its in-depth domain knowledge, innovative capabilities and global logistics infrastructure while incorporating information technology and automation into operations.

(a) International Freight Forwarding

The Group is a market leader in the non-vessel operating common carrier business supported by a global network of owned offices in Malaysia, Thailand, Hong Kong, South Korea, PRC, Myanmar and Dubai and over 120 freight forwarding agents reaching out to more than 600 destinations worldwide. The Group's international freight forwarding services span the full gamut of freight forwarding, including less than container load (LCL) consolidation, container freight station (CFS) operations, ocean and air freight services, consolidation and deconsolidation, transshipment, project cargo, shipment documentation, customs clearance and transportation, as well as land transportation to Peninsula Malaysia. Its comprehensive global network equips the Group with the ability to handle both specialised project cargo and large scale projects, including oil and gas, infrastructure development, power plant and factory relocation. Integral to these services are the Group's own airfreight office which enables the Group to offer its customers better and more reliable airfreight services and the Group's warehouses in Singapore, the PRC, South Korea and Dubai, which occupy a total GFA of approximately 2.8 million square feet, and which enables the Group to cater to customer needs across various markets.

To provide faster and reliable freight forwarding service with shorter transit time, the Group opened new direct services to six destination ports, namely Dili, Darwin, Port Moresby, Lae, Varna and Prague.

(b) Warehousing and Logistics

The Group's warehousing and logistics business unit provides integrated logistics services at its strategically located facilities in Singapore, Malaysia, Dubai, South Korea and the PRC. By harnessing information technology and automation such as the Automated Storage and Retrieval System, the Group is able to offer a range of supply chain services which include developing solutions to warehousing transportation, distribution, track and trace, customs brokerage, managing inventory and other value-added services, and has the expertise to create customised space solutions from build to suit, as well as financial solutions and management expertise.

The Group has also successfully commenced its new container freight station operations within the Free Trade Zone at Keppel Distripark. This strategic initiative has allowed the Group to internally manage the vital operations of a truly integrated logistics provider with warehousing and freight consolidation capabilities.

The Group provides professional project logistics services from small-scale to large-scale industrial projects, where the types of project cargo include oil and gas, infrastructure development, power plant and factory relocation. The range of services include the movement of oversized and heavy lift cargoes and equipment, multi-modal transportation (ocean, air, land and rail), chartering of ship, tugboat and barge, arrangement of cranes for heavy lift cargo, route surveying and reports, provision of warehousing and insurance services, provision of lashing services, and customs clearance and trade documentation services. It has a well-trained team of professionals that oversees projects from the planning stage up to execution of the project.

The Group also offers document storage and retrieval, safe document destruction and urgent document retrieval. For this purpose, the Group has designed and built a purpose built secured Records Management Centre as a dedicated facility for managing records cartons and contents. The Group's record management system utilises bar code labels which stores relevant information such as the customer's particulars which can be decoded only by the system as an additional security feature. Being web-based, it allows the Group's customers to keep track of documents stored in the Group's storage centre and to retrieve them as and when so required. The Group's end to end records management services also includes, without limitation, long term document storage at the Records Management Centre, packing and indexing services, island wide pick-up and delivery services daily, tracking capability of each record stored on carton/file level, digitization of documents, and secured destruction of documents.

Integral to the development of this business segment are the Group's joint ventures with foreign partners. The Group has a joint venture with Jiangyin Haigang, a subsidiary of the Jiangyin Port Authority, which was formed to tap into the increasing demand for integrated logistics services in the PRC cities of Jiangyin and Wuxi. This has enabled the Group to tap into the growing PRC market and provides a foothold for the Group to venture into other growing markets in the PRC. The Jiangyin Haigang joint venture has also increased the Group's ability to take on higher yield business which require heavy lifting, e.g. steel pipes and windmill fan blades, as opposed to storage of minerals and metals previously. The Group, through its wholly-owned subsidiary San Lu Logistics Co., Ltd., a company located in Jiangyin, is able to offer bonded warehouse and logistics services. Similarly, the Group's joint venture in Dubai has invested AED 5.5 million in a dedicated container freight station in Jebel Ali, to cater for the increased demand in distribution services in the growing market of the United Arab Emirates.

(c) Chemical Storage and Logistics

The Group is a leading chemical logistics solution provider in Singapore and Malaysia which caters to global players in the petrochemical industry. The range of services include warehousing and storage facilities for dangerous goods, bulk liquid and dry box haulage, drumming, chemical transportation in bulk tankers and ISO-tanks containers, container haulage and packaged goods transportation, plant management logistics, international freight forwarding services, emergency recovery services and safety escort services. This business is supported by the technical knowledge of its well-trained workforce as well as a portfolio of 250 prime-movers, 790 trailers, 310 ISO-tanks and dangerous goods warehouse complexes with over 80,000 pallet positions.

The Group's 6-storey ramp-up chemical warehouse at 146 Gul Circle has a roof-top vehicle park, workshop and trailer park with a built-up area of about 500,000 square feet. The warehouse meets the stringent Singapore Civil Defence Force SS532 standard, which features the latest in safety and chemical control measures, and is predominantly operated by the Group members. This facility was the first in Singapore to employ an overhead crane to store dangerous goods ISO-tanks indoors for the maximisation of space efficiency. The certificate of statutory completion for the facility was obtained on 22 June 2016.

The Group also has LTH Chemical Megahub, a 6-storey ramp-up chemical warehouse building with one (1) level mezzanine ancillary office, two (2) blocks of single storey bromine storage warehouse and an open storage area at 121 Banyan Drive, Jurong Island. The warehouse has a built-up area of about 700,000 square feet and is used for providing value-added logistical and warehousing services to large petrochemical companies located within Jurong Island. In May 2017, the Group completed construction of a second bromine storage warehouse within LTH Chemical Megahub, including a new open yard office cum weigh bridge and extension of dangerous goods open yard. LTH Chemical Megahub's dangerous goods ISO-tanks storage is one of the largest facilities of its kind located outside of a port within Singapore.

LTH, a subsidiary of the Group which handles the Group's chemical storage and logistics services, won the Singapore Chemical Industry Council's Responsible Care Achievement award for Community Awareness and Emergency Response Code and the Gold award for the Distribution Code in 2017.

(d) Commodity Logistics

On 13 July 2017, the Group completed the acquisition of BIH by way of a scheme of arrangement. BIH is a Chongqing, China-based producer of thermal coal. It sells coal for industrial power generation to power plant customers in Shanghai and is engaged in the commodity logistics and coal trading business. The acquisition will result in the integration of the existing logistics business and expand the logistics business into commodity logistics and trading business, and is in line with the Group's investment strategy to redeploy its capital more efficiently for higher yield investments. For more information, please refer to the section titled "*Recent Developments – Commodities Logistics and Trading Business – Blackgold International Holdings Limited*".

Real Estate Business

(a) Property Management

The Group is the sponsor and largest unit holder of Sabana REIT, which is the world's first real estate investment trust that has adopted Shari'ah Compliance, with total assets of approximately $977 million, and which units are listed on the SGX-ST. As of 12 July 2017, the market capitalisation of Sabana REIT is S$484.4 million and the Group holds 10.43% of units in Sabana REIT. Sabana REIT was established principally to invest in income-producing real estate and real estate-related assets in line with Shari'ah investment principles. The Group's engagement in property management business is through its participation in SPM which is wholly-owned by SIP (indirectly through SREIM, the manager of SPM). SPM provides management services to the entire Sabana REIT portfolio of 21 properties comprising high-tech industrial warehouses, chemical warehouses, as well as general and logistics warehouse facilities.

Additionally, the Group also provides management services to its owned and leased warehouse and logistics properties. Such property management services include the oversight of operations, preventive maintenance control, conducting work audit and dealing with service contractors and service contracts including workplace health and safety requirements.

(b) Property Development and Investment

Since the 1990s, the Group had started developing and investing in various types of industrial properties, either for its own use or for use by third parties. The Group sought to complement its comprehensive logistics services by providing a range of logistics-related real estate services including build to suit, sale and leaseback, self-managed warehousing space, distribution hub office space, project management, interior retro-fitting, facility development and renovations and facility maintenance and management. The Group has since expanded its range of real estate services to include the development of commercial and residential properties.

In July 2013, the Group's wholly-owned subsidiary, SEPL, incorporated a new subsidiary, Vibrant Properties Pte. Ltd. to engage in the business of property development and related real estate activities, with a focus in the PRC. VPPL then increased its issued share capital and allotted new shares to SEPL and FDPL so that by January 2014, the equity interest in VPPL for each of SEPL and FDPL was 60% and 40% respectively.

Vibrant, through its wholly-owned subsidiary SEPL, owns 21.39% of the share capital of Figtree Holdings, which is listed on the Catalist board of the SGX-ST. Figtree Holdings is a group specialising in the design and building of commercial and industrial facilities which operates in Singapore, the PRC and Malaysia. Figtree Holdings also engages in property development as a secondary activity and the full scope of their services cover the full spectrum of the project development process, including land search and authority liaison, feasibility studies, design and construction. In Singapore, in addition to providing design and project and construction management services, Figtree Holdings typically also acts as the main contractor in its projects, which cover new construction, alteration and amendment works on existing buildings as well as refurbishment and upgrading of existing buildings. In the PRC and Malaysia, Figtree Holdings typically provides design and project and construction management consulting services. Figtree Holdings' strengths in building design and construction complements the Group's property development and investment business. All of the Group's property development projects in Jiangsu, PRC, are jointly developed with Figtree Holdings. Over the years, Figtree Holdings has been growing its property development business (covering the development, construction, sale and leasing of residential, commercial and industrial properties) in the PRC and Australia.

Fervent, a 50-50 joint venture company of VPPL and Brilliant Champ International Limited, engages in the provision of industrial and storage facilities development and consultancy services in the PRC. In August 2015 and February 2017, the Group acquired additional effective interest of 2.17% and 15.83% respectively in Fervent, increasing its effective interest in Fervent from 30.00% to 32.17% and 48.00% respectively.

Since the inclusion of Real Estate Business as part of the core business of the Group, the Group has successfully completed notable property development projects pertaining to high tech industrial park, commercial and residential properties.

These projects include the completion in December 2015 of Changshu Fervent Industrial Park, a high-tech industrial park with a GFA of 730,870 square feet comprising six blocks of standard light industrial factory and a five-storey multi-purpose facility, located in Jiangsu, PRC, and a resettlement housing project with a built-up area of 372,087 square feet comprising one block of 33-storey residential flat and one block of 14-storey residential flats with a basement carpark and civil defence shelter, in Ximen, Jiangyin, PRC, which was handed over to the government under the Build-and-Transfer model. The Group then completed the redevelopment of its 6-storey ramp-up chemical warehouse at 146 Gul Circle and the TOP was obtained on 19 February 2016. The facility has a GFA of approximately 484,631 square feet. In May 2017, the Group completed another local government-approved resettlement housing development project in Zhu Jia Wan, Jiangyin, PRC. The project has an estimated built-up area of 1,344,240 square feet and comprises five blocks of 11-storey high residential flats and five blocks of 18-storey high residential flats with a total of 928 residential units.

On 24 October 2016, the Group announced that VPPL, via its wholly-owned subsidiary Vibrant Investment and Management (Shanghai) Co., Ltd, entered into a 60-40 joint venture with Fengteng International Trading (Jiangyin) Co., Ltd to form a joint-venture company Master Development (Jiangyin) Co., Ltd (*江阴德辉置业有限公司*) (Master Development) in Jiangyin, Jiangsu Province, PRC. The Group has an effective shareholding interest of 36% in Master Development. Master Development acquired a 70 years leasehold mixed residential and commercial development site in the city of Jiangyin, located South of 环城南路 and North of 毗陵路. It is located along 中山路 and strategically situated near hotels, schools, city garden and parks, public hospitals, other inner city residential districts, central commercial hub and office buildings. It has a total land area of 325,598 square feet with a maximum plot ratio of 3.0. The site will be developed into 508 units of residential apartments and 148 units of commercial units with 400 basement car park lots.

The property development projects of the Group and its associated companies are set out in the table below.

Property Location	TOP Date / Completion Date	Approximate GFA (square feet)	Description of Property	Ownership and Existing Use	Leasehold Tenure
Singapore					
5 Toh Guan Road East, Singapore 608831	July 1991 (Phase 1) and June 1996 (Phase 2)	320,130	Two warehouse complexes made up of a part three-storey cum five-storey warehouse block with ancillary office and adjoining four-storey warehouse block	In 2004, these properties were sold to and leased back from HSBC Institutional Trust Services (Singapore) Limited ("**HSBCIT**") (in its capacity as trustee of Ascendas Real Estate Investment Trust ("**A-REIT**")). The leaseback term was not renewed by the Group since its expiry in 2012.	-
9 Changi South Street 3, Singapore 486361	July 1997	249,809	An eight-storey office building and a four-storey warehouse fitted with ASRS	In 2004, these properties were sold to and leased back from HSBCIT (in its capacity as trustee of A-REIT). The leaseback term was not renewed by the Group since its expiry in 2012.	-
51 Penjuru Road, Singapore 609143	February 1999	246,376	A part single-storey fitted with ASRS/ part three-storey/ part four-storey warehouse cum office complex	In 2010, these properties were sold and leased back from HSBCIT (in its capacity as trustee of Sabana REIT). This warehouse complex is currently being operated by the Group.	5 years from 26 November 2010 and renewed till 26 November 2017
30 Tampines Industrial Avenue 3, Singapore 528775	September 2004	130,259	A two-storey factory for manufacturing organic light-emitting diodes	The Group divested the property in 2005.	-
30 Tuas Avenue 10, Singapore 639150	October 2008	336,960	A seven-storey warehouse cum office complex	The warehouse complex is currently owned and operated by the Group.	30+30 years from 1 April 1996
33 and 35 Penjuru Lane, Singapore 609200 and 609202	October 2008	286,192	A chemicals storage warehouse complex comprising three buildings – (i) a four-storey warehouse building, (ii) a part single-storey with Very Narrow Aisle racking system, part three-storey warehouse building and (iii) a single-storey warehouse with mezzanine floor	In 2010, these properties were sold to and leased back from HSBCIT (in its capacity as trustee of Sabana REIT). This warehouse complex is currently being operated by the Group.	5 years from 26 November 2010 and renewed till 26 November 2017

Property Location	TOP Date / Completion Date	Approximate GFA (square feet)	Description of Property	Ownership and Existing Use	Leasehold Tenure
18 Gul Drive, Singapore 629468	November 2009	132,878	A two-storey chemical warehouse cum four-storey office	In 2010, these properties were sold to and leased back from HSBCIT (in its capacity as trustee of Sabana REIT). This warehouse complex is currently being operated by the Group.	5 years from 26 November 2010 and renewed till 26 November 2017
121 Banyan Drive, Jurong Island, Singapore 627570	December 2013	695,306	A six-storey chemical warehouse, a one-level mezzanine office, a single-storey bromine storage warehouse and ISO-tanks parking yard and ancillary offices	This warehouse complex is currently owned and operated by the Group.	59 years from 8 September 2011
146 Gul Circle, Singapore 629604	February 2016	484,631	A six-storey ramp-up chemical warehouse including ISO-tanks storage with a roof-top vehicle park	The properties are currently owned and operated by the Group.	11 years, 5 months commencing 31 October 2007 with option for 21 years 8 months and 14 days
121 Banyan Drive, Jurong Island, Singapore 627570	May 2017	11,326	Additional single-storey bromine storage warehouse	This warehouse is currently owned by the Group and was specifically designed for a petrochemical company with a tenancy of 7 years.	59 years from 8 September 2011
People's Republic of China					
Ximen, Jiangyin, PRC 江阴市君山路东，环城北路南	December 2015	372,087	A block of 33-storey residential flat and a block of 14-storey residential flat with a basement car park and a civil defence shelter	In 2015, these properties were handed over to the government under the Build-and-Transfer model.	-
Changshu High Tech Industrial Park, Changshu Economic Development Zone	December 2015	730,870	First phase - six blocks of standard light industrial factory and a five-storey multi-purpose facility.	The property is currently owned by Fervent.	50 years land lease from March 2014
Zhu Jia Wan, Jiangyin, PRC 江阴申港人民北路东西侧，福星路北侧，申浦路西侧	May 2017	1,344,240	Five blocks of 11-storey residential flats and five blocks of 18-storey residential flats.	In 2017, these properties were handed over to the government under the Build-and-Transfer model.	-

Property Location	TOP Date / Completion Date	Approximate GFA (square feet)	Description of Property	Ownership and Existing Use	Leasehold Tenure
Changshu High Tech Industrial Park, Changshu Economic Development Zone	March 2017 (Obtained the land use right in March 2017)	824,010 Land Size	Second phase – the land will be reserved for development of built-to-order industrial factories. (Construction has not commenced)	The property is currently owned by the Fervent This property is currently under development.	50 years land lease from March 2017
Master Riviera A site: Meiyuan Road East, Xinhe South, Zhongshan Road West, Tongyun Road North. Master Riviera B Site: Zhongshan Road East, Xinhe South, Zhengcun Road West, Tongyun Road North 新河湾A地块：梅园路东，新河南，中山路西，通运路北侧 新河湾B地块：中山路东，新河南，征存路西，通运路北侧	October 2016	1,336,844	The site will be developed into 508 units of residential apartments and 148 units of commercial units with 400 basement car park lots. (Contruction has commenced)	The property is currently owned by Master Development, a joint venture company between VPPL and Fengteng International Trading (Jiangyin) Co., Ltd This property is currently under development.	70 years land lease for Residential from January 2011 40 years land lease for Commercial from January 2011

With regard to property investment, the Group has acquired several industrial properties as well as a residential property from the secondary market as set out in the table below and has experience in lease management in Singapore, the PRC, Thailand, Malaysia and the United Arab Emirates. The Group acquires and holds investments in property-related assets for long-term investment through, *inter alia*, collection of rental revenue, in addition to buying and selling properties. The property investment business has provided a steady income stream for the Group and the Group believes that this business has good prospects for future expansion.

Property Location	Year of Acquisition	Approximate GFA (square feet)	Description of Property	Ownership and Existing Use	Leasehold Tenure
146 Gul Circle, Singapore 629604	December 1995	85,263	Two single-storey detached warehouses and a single-storey warehouse with a two-storey ancillary office	The properties are currently owned and operated by the Group. (Demolished and redeveloped into a six-storey ramp-up chemical warehouse)	30 years+11 years 5 months from 1 November 1977
29 Tanjong Penjuru, Singapore 609026	November 2004	38,646	A single-storey detached warehouse with a mezzanine office	The property is currently owned and operated by the Group.	30 years from 1 July 1989

Property Location	Year of Acquisition	Approximate GFA (square feet)	Description of Property	Ownership and Existing Use	Leasehold Tenure
30 and 32 Tuas Avenue 8, Singapore 639246 and 639427	June 2005	158,846	Two factories with an adjoining four-storey purpose built factory for electronics manufacturing, with ancillary offices	In 2010, these properties were sold to and leased back from HSBCIT (in its capacity as trustee of Sabana REIT).	5 years from 26 November 2010
218 Pandan Loop, Singapore 128408	June 2005	50,374	Two separate properties comprising: (i) a double volume single-storey cold storage building for handling and storage of fresh food, with a mezzanine office; and (ii) a two-storey office building.	In 2010, these properties were sold to and leased back from HSBCIT (in its capacity as trustee of Sabana REIT).	5 years from 26 November 2010
47 Changi South Avenue 2, Singapore 486148	March 2011	91,573	A four-storey industrial factory with office	The property is currently owned and operated by the Group.	30+30 years from 16 November 1996
18 Haigang Road, Jiangyin New Harbour City, Jiangsu, PRC, Zipcode 21443	September 2011	129,167	A single-storey bonded warehouse	The property is currently owned and leased out by the Group.	50 years, period ending 15 May 2058
Plot MO647, Jebel Ali Free Zone, Dubai, United Arab Emirates	October 2011	40,447	A warehouse with office	The property is currently owned and operated by the Group.	10+10 years from 7 September 2011
507/321, Soi Sathu Pradit 31 (Nakorn Thai Soi 4), Sathu Pradit Rd. Chong Nonsi, Yannawa, Bangkok 10120, Thailand	October 2012	18,028	A seven-storey building (ground floor lobby with six floors of office space)	The property is currently owned and operated by the Group.	Freehold
Lorong Palas, off Jalan Ampang, 55100 Kuala Lumpur, Malaysia	August 2013	228,812	A block of 24-storey residential tower comprising 76 units of condominium with 110 units of car park lots	The property is currently owned by Saujana Tiasa Sdn Bhd, the Group's joint venture company	Strata Title freehold tenure from 27 November 2012
Cecil House, 139 Cecil Street, Singapore 069539	July 2014	88,886	A 11-storey building	The Group's interest in the property is held through its associated company, Ececil Pte. Ltd., in which its 51% subsidiary, Shentoncil Pte. Ltd. holds an effective interest of 40%.	99 years from 1981

Property Location	Year of Acquisition	Approximate GFA (square feet)	Description of Property	Ownership and Existing Use	Leasehold Tenure
GSH Plaza, 20 Cecil Street, Singapore 049705	August 2014	356,543	A 28-storey office tower	The Group has divested its interest in the property. For more information, please refer to the section titled "*Recent Developments – Real Estate – GSH Plaza*"	99 years from 1989

Financial Services

Since 2010, the Group has been investing in businesses and entities which are involved in the provision of financial services or asset management services, and engaging in proprietary investment activities, with a portfolio comprising listed and unlisted securities, structured equity and debt products.

The Group's current Financial Services Business comprises the following:

(a) Sabana REIT Management

The Group currently engages in asset management services via its participation in SREIM through its 51% equity stake in SIP, which the Group subscribed for in August 2010. SREIM is the manager of Sabana REIT. Sabana REIT was established principally to invest in income-producing real estate and real estate-related assets in line with Shari'ah investment principles.

The Group is the largest unitholder of Sabana REIT, with approximately 10.43% holdings as of 30 April 2017. Sabana REIT was listed on the SGX-ST on 26 November 2010. The fair value of the Group's investment in the units as at 30 April 2017 is S$49.98 million. It is also the largest tenant of Sabana REIT, contributing approximately 17.0% of the net property income of Sabana REIT's portfolio as at 31 December 2016.

(b) Fund Management

In April 2011, the Group invested in a 30% equity stake in SCPL. SCPL is a fund management company registered with the MAS and its principal objective is to seek and maximise absolute returns in the Asian credit markets through multi-currency debt instruments. It derives income from management fees for the investment management services provided to its clients.

The Group also invested US$30.0 million in SACOFF with a view to improving yields on capital. SACOFF is a liquid Asian ex-Japan credit fund investing in both hard currency bonds and local currency denominated Asian bonds. The fair value of the investment in SACOFF as at 30 April 2017 is US$43.86 million.

In 2017, SCPL was awarded the Best Singapore-Based Hedge Fund and was nominated for Best Asia Ex-Japan Hedge Fund from Eurekahedge Asian Hedge Fund Awards 2017.

(c) Financial Leasing Services

The Group has a 51.00% equity interest in Sinolink Financial Leasing Co. Ltd., a subsidiary that focuses on financing projects in PRC, providing the following services: hire purchases, equipment financing, shipping loads, working capital loans, letters of credit, project financing and receivables financing. It also provides funds to potential clients in the equipment manufacturing, petroleum and gas, medicine, education and construction industries sectors.

The Group has obtained approval from the Shanghai Municipal Commission of Commerce for a licence to operate the financial leasing business, and has successfully registered with the Industrial and Commercial Bureau, State Administration of Foreign Exchange and tax authorities. In this connection, Sinolink Financial Leasing Co., Ltd., a wholly-owned subsidiary of Sinolink Finance International Ltd, Hong Kong, was incorporated on 14 November 2013 to provide financial leasing and structured finance services in the PRC.

C. BUSINESS STRATEGIES

The Group's key focus is to grow the Group's existing assets and strengthen and expand its business in its core competencies, while exploring new opportunities for diversification to sustain long-term future growth.

(a) *Strengthening and Expanding Business in Core Competencies*

The Group continues to seek opportunities to grow its existing core businesses against an ever-changing economic backdrop. In doing so, the Group will adopt the following approaches:

- ***focus on key growth areas, new products and services in order to broaden the Group's revenue base***. One of the key areas of focus in FY2017 was in chemical logistics, where the Group has embarked on several new initiatives including the enhancement of its customers' information technology user experience by designing a website which offers them convenient and immediate access to essential freight and shipping information for seamless integration and better productivity. In line with the Group's strategy to broaden its revenue base, the Group also continuously seeks to design and build state-of-the-art infrastructures to meet the needs of existing and new customers. This is proven by the Group's capability to build specialised chemical storage warehouses which conform to the stringent safety requirements of the regulatory bodies. The Group also strives to identify and build new products and services with significant growth opportunities. One example of this is e-Logistics, which includes the provision of warehousing and delivery services for online shopping enterprises. In the sea freight division, the Group is focusing on increasing its competitive advantage by introducing better services and more ease-of-use to its customers. In this connection, the Group has expanded its freight network and customer base by opening new direct services to six destination ports, namely Dili, Darwin, Port Moresby, Lae, Varna and Prague. In the warehousing and logistics segment, the Group has also successfully commenced its new container freight station operations within the Free Trade Zone at Keppel Distripark. This strategic initiative has allowed the Group to internally manage the vital operations and ensure business continuity, especially during the extended downturn in the global shipping industry, and the Group expects the service to pave the way for better service efficiency, innovation and quality management;

- ***continue to expand and optimise its network and operations, and enhance operational efficiency by growing its logistics infrastructure***. The Group continues to focus on identifying opportunities for infrastructure growth. Through its investment in Pucheng, the Group is seeking to capitalise on the "One Belt, One Road" initiative ("**OBOR**") launched by the PRC government logistics operations in the PRC. The OBOR initiative aims to connect Asia, Africa and Europe over land through Europe-Asia continental roads and sea routes through the South China Sea and the Indian Ocean. The Group's strategic collaboration with Pucheng to jointly develop a Multi-Modal Distribution and Connectivity Centre also serves to tap on opportunities arising under the Chongqing Connectivity Initiative between Singapore and the PRC, which is one of three Government-to-Government projects between Singapore and the PRC. For more information on Pucheng, please refer to the section titled "*Recent Developments – Integrated Multi-Modal Logistics Business – Pucheng*"; and

- ***capital recycling through sale and leaseback of property***. One key step the Group has taken to strengthen its competitive position is to unlock the intrinsic value of its logistics assets through sale and leaseback transactions for various properties with Sabana REIT. The proceeds from the sale and leaseback can then be used to fund new business initiatives and provides additional capital for the Group's expansion plans.

(b) ***Exploring Opportunities for Investment and Diversification for Stable and Flexible Financial Capability***

In addition to the Group's internal growth policy as outlined above, the Group is also constantly reviewing synergistic opportunities, whether through joint ventures or acquisitions or enhancing and diversifying its products and services portfolio to ensure long term sustainable growth. The Group intends to adopt the following approaches:

- ***make strategic investments***. The Group has already made inroads into the PRC and Middle East markets through its investments and joint ventures, which has enabled the Group to tap into these emerging markets and gain a foothold to venture into other complementary growth areas in these markets. For example, the Group has various subsidiaries in the PRC which are engaged in, *inter alia*, the provision of transportation and logistics services, as well as financial leasing services and the provision of industrial and storage facilities development. In evaluating future joint venture or acquisition opportunities, the Group will continue to focus on complementing its existing core competencies with collaborations that will help the Group gain new capabilities into growing markets;

- ***leverage on the Group's financial strength to explore areas of potential in other related business activities and take advantage of investment opportunities in order to broaden its revenue base***. One of the key concerns for the Group is to broaden its business and revenue base, thereby reducing the risk of over-reliance on any particular business segment. Currently, the Group has multiple revenue sources including asset-based income, service fees as well as trading profits. The Group has additionally identified the provision of financial leasing services as a key potential growth area, given that the PRC currently enjoys long-term economic growth and has an increasing demand for specialised financial services. In particular, the leasing and structured finance industry in the PRC has also experienced phenomenal growth in recent years. With the inclusion of the Financial Services Business as part of the Group's core business, the Group may continue to dedicate more resources to expand on the existing financial services that it already provides in the PRC. In evaluating opportunities for diversification, the Group will identify key areas with growth potential and markets with significant needs across a variety of related businesses; and

- ***providing a more diversified business base for future growth***. While the Group will continue to pursue sustainable growth strategies to strengthen its freight and logistics businesses, the Group will also explore other growth areas to strive for a more sustained performance in the long term. In line with its diversification strategy, the Group completed the acquisition of BIH by way of a scheme of arrangement in July 2017, resulting in an expansion of the logistics business into commodity logistics and commodity trading business. The Group has also identified opportunities for growth in the real estate and property development business in emerging Asian markets, and in particular Singapore, Malaysia and the PRC due to their geographical proximity and consequent familiarity of these countries to the Group. In connection with this, the Group has expanded its Real Estate Business to include acquisition of land and the development, construction, and sale or lease of hospitality, industrial, commercial and residential properties, as well as engaging in property management activities and acquiring and holding investments in property-related assets. The Group notes that the PRC has been enjoying a period of sustained economic growth and believes that the PRC will experience an increasing demand for specialised financial services in tandem with such economic growth. At present, the Group is already engaged in providing such specialised financial services, which extend to providing financial leasing and factoring services including hire purchase, equipment financing to customers in the equipment manufacturing and construction industries as well as receivables factoring in the jewellery market in the PRC. The Group seeks to expand on and deepen its range of specialised financial services so as to be in a position to capitalise on the increase in demand for such financial services.

D. COMPETITIVE STRENGTHS

The Group has the following competitive strengths:

(a) *Strong International Agency Network*

The Group has a wide global network through its international agents which connects customers to approximately 600 destinations worldwide. The continued efforts of the Group to expand operations in emerging markets will broaden the Group's reach worldwide and increase profitability in the relevant markets. Further, the Group's logistics facilities in Singapore, the PRC, South Korea and Dubai serve as regional distribution hubs, which enable customers to enjoy efficient operations for the storage, movement and distribution of goods, and provide customers with flexible, secure and rapid logistics options. The presence of the Group's own airfreight office and strong strategic partnerships with over 120 agents worldwide enable the Group to provide customers with a global product offering in air and ocean freight, and overland transport.

(b) *Integrated and Customised Logistics Solutions Provider*

The Group has a proven track record of more than 35 years of providing integrated logistics services to its customers and continues to deliver integrated solutions to help its customers address complex business challenges. Due to the myriad of services provided, the Group has the enhanced capability and expertise to provide customised logistics solutions for customers with specialised requirements, including customised space solutions for build to suit, transportation, distribution as well as financial solutions and management expertise. The Group believes that there is increasing pressure on companies to reduce costs and streamline their own business processes, and in turn, there is increasing demand from customers for stable, integrated logistics solutions. The Group is well-positioned to take advantage of this increased demand with its ever-expanding broad-based service portfolio, which minimises potential disruptions to customers and protects the integrity of their supply chain and helps to accelerate the time-to-market for its customers. Further, the Group is able to price its services competitively, enabling its customers to realise cost efficiencies. As mentioned above, the Group also sees growth opportunities in broadening and expanding its core businesses. The close cooperation of the Group's different business units gives the Group a competitive advantage in providing integrated, innovative and broad-based logistics solutions.

(c) *Broad Business Base*

The Group is committed to evolving beyond being a total logistics solutions provider by diversifying its core business and identifying new business opportunities. The Group's broad-based service portfolio, encompassing logistics services to financial services, enables revenue to accrue from multiple sustainable revenue sources and helps to reduce the concentration risk of over-reliance on a particular business segment as a source of revenue. For example, beyond the Group's traditional freight forwarding and logistics activities, the Group also engages in financial services and real estate businesses, each of which provides an additional source of revenue for the Group. The Group also provides real estate fund and property management services to Sabana REIT, from which it derives fee income.

(d) *Strong Brand Name and Relationships with Customers*

The Group's strong brand identity can be associated with its long operating history. The Group's diverse range of capabilities and offerings strengthen its ability to attract new clients and retain existing clients.

The Group believes that it is widely recognised in the markets in which it operates as a highly reputable name, as evidenced by the contracts it has secured and its long-standing relationships with customers.

(e) ***Experienced Management***

The Group is staffed by experienced professionals with extensive experience in each of their relevant fields, and who have been with the Group for many years. The Group's management team is well-supported by experienced staff who adopt a proactive approach and are actively involved in the daily operations of the Group which in turn means they are able to react effectively and in a timely manner to any potential issues and challenges.

E. CUSTOMERS

Major customers of the Group in the freight and logistics business include Shell Eastern Petroleum Pte Ltd, Petronas Nasional Berhad, Chevron Oronite Pte Ltd, Arlanxeo Singapore Pte Ltd, Dow Chemical Pacific (S) Pte Ltd, Ecolab Asia Pacific Pte Ltd and Rohm and Haas Singapore Pte Ltd. In respect of the Group's Real Estate Business, its major tenants include A.Schulman Inc, PMG SPA, Kashiyama Industries, Ltd., Leapton Solar, Osaka Welding Industrial Co Ltd, Fränkische, Kessel and Faurecia.

F. COMPETITION

The Group is a leading integrated logistics solutions provider and is also engaged in financial services and real estate businesses. The Group competes with different companies across each business segment and geographical area. The logistics industry is fragmented, service-oriented and highly competitive. The competition in the financing services industry varies for different markets and services but is generally highly competitive. The real estate industry is highly competitive, with strong competition from established industry participants.

G. REGULATION

The Group's operations are subject to international, country, state and/or local rules and regulations and the laws of the other jurisdictions and countries in which it operates and govern various aspects of the Group's business.

For instance, the Group's chemical storage and logistics division requires special licences to provide licensed storage facilities for dangerous or hazardous materials, such as a flammable material storage licence from the Singapore Civil Defence Force, and a hazardous substances permit from the National Environment Agency of Singapore.

The Group's warehouse and logistics division also requires various licences and permits such as a zero goods and services tax warehouse licence to carry on its business.

The Group's financial services division also requires and has obtained various licences in the respective countries in which it operates. For example, the Group's subsidiary, SREIM, holds a capital markets services licence for real estate investment trust management. The Group has also obtained approval from the Shanghai Municipal Commission of Commerce for a licence to operate the financial leasing business, and has successfully registered with the Industrial and Commercial Bureau, State Administration of Foreign Exchange and tax authorities.

H. INSURANCE

The Group believes that its assets and properties are covered with adequate insurance provided by reputable insurance companies and with commercially reasonable deductibles and limits on coverage, which are normal for the type and location of the assets and properties to which they relate. The Group also reviews the adequacy of its insurance coverage annually. To carry on business effectively, the Group has procured property all-risk, machinery and equipment all-risk, public liability, bailee and warehouse, marine cargo and directors' and officers' liability policies. The Group has also procured general insurance for workmen's compensation, group hospital and surgical, business travel and motor vehicles.

I. RECENT DEVELOPMENTS

(a) Commodities Logistics and Trading Business

Blackgold International Holdings Limited

On 28 October 2016, the Group announced that it had entered into a scheme implementation deed with BIH to acquire (the "**Acquisition**") the entire issued and paid-up ordinary shares in the capital of BIH (the "**Scheme Shares**"). The Acquisition is to be effected by way of a scheme of arrangement (the "**Scheme**") in accordance with Part 5.1 of the Corporations Act 2001 of Australia.

BIH is a Chongqing, China-based producer of thermal coal predominantly sold for industrial power generation to power plant customers in Shanghai. BIH is listed on the Australian Securities Exchange Ltd (the "**ASX**") on 22 February 2011. BIH currently owns four underground thermal coal mines, strategically located near the Yangtze River, and operates through its controlled entities wholly-owned by Blackgold Holdings Hong Kong Limited, an investment holding company. BIH is also engaged in the commodity logistics and coal trading business. In respect of the commodity logistics business, the BIH Group operates its barges along the Yangtze River and generates revenue from the transport of material such as stones, ore, cement, coal and other minerals. The coal trading business specialises in the purchase and resale of coal, where coal is primarily purchased from third party suppliers.

Upon completion of the proposed Acquisition, BIH will become a wholly-owned subsidiary company of Vibrant and will be delisted from the ASX.

In consideration of the transfer to Vibrant of each Scheme Share held by each BIH shareholder under the Scheme, Vibrant will provide or cause to be provided A$37,635,863 in cash, or such other amount as agreed between Vibrant and BIH, for each Scheme Share held by such Scheme shareholders.

The effects of the Acquisition on the earnings per share ("**EPS**") of the Group for FY2016, assuming that the Acquisition had been effected at the beginning of FY2016, are summarized below:

EPS	Before the Acquisition	After the Acquisition
Earnings(1) (S$'000)	10,023	20,269
Weighted average number of issued shares	539,636,487	539,636,487
EPS - Basic (cents)	1.86	3.76
EPS - Diluted (cents)	1.86	3.76

The effects of the Acquisition on the NTA per share of the Group for FY2016 assuming that the Acquisition had been effected as at 30 April 2016, are summarized below:

NTA	Before the Acquisition	After the Acquisition
Consolidated NTA (S$'000)	370,699	588,176
Number of issued shares	553,787,202	553,787,202
Consolidated NTA per share (cents)	66.94	106.21

On 13 July 2017, the Group announced that it has successfully acquired BIH by way of the scheme of arrangement.

The table below sets out selected financial information relating to the BIH Group for the financial years ended 31 October 2014, 31 October 2015 and 31 October 2016 which have been extracted from the annual reports of BIH.

(A$ '000)	2016	2015	2014
Revenue	350,288	419,401	336,082
EBITDA*	33,576	49,476	50,208
EBITDA Margin (%)	9.59	11.80	14.94
Interest Expense	7,708	9,975	6,415
Cash and Cash Equivalents	13,315	18,319	15,103
Total Assets	355,283	569,825	375,812
Short and Long Term Debt	123,455	137,987	59,563
Net Debt	110,140	119,668	44,460
Total Liabilities	156,669	298,100	173,793
Total Equity	198,614	271,725	202,019
Total Debt to EBITDA (x)	3.68	2.79	1.19
Total Debt to Total Equity (%)	62.2	50.8	29.5
Total Debt to Total Assets (%)	34.7	24.2	15.8
EBITDA to Interest Expense (x)	4.36	4.96	7.83
Net Debt/EBITDA (x)	3.28	2.42	0.89
Net Debt To Shareholders Equity (%)	55.5	44.0	22.0

• Adjusted for impairment of mining rights

(b) Integrated Multi-Modal Logistics Business

Pucheng

On 30 March 2017, the Group announced that it has, together with FDPL, a subsidiary of Figtree Holdings, entered into a joint venture agreement with the existing shareholders of *辉联埔程国际物流有限公司* ("**Pucheng**") to subscribe for new shares in Pucheng, whereby the Issuer and FDPL will each subscribe for a 31% and 20% stake in the enlarged share capital of Pucheng for a cash consideration of RMB31.0 million and RMB20.0 million respectively. Upon completion of the share subscription exercise and by way of capitalisation of the existing shareholders' loans of RMB29.0 million, Pucheng's share capital will be increased from RMB20.0 million to RMB100.0 million. The unaudited net asset value of Pucheng as at 31 December 2016, after completion of share subscription and the capitalisation of shareholders' loans, will be approximately RMB91.7 million. The purchase consideration represents approximately a 9.05% premium over the share of the net asset value of Pucheng.

Pucheng is a logistics company incorporated in Chongqing in PRC since June 2014. Pucheng's operating site is situated at 两江新区 in Yufu Industrial Park, Liang Jiang New Area ("**LJNA**"). LJNA is located in the main city of Chongqing, to the north of the Yangtze River and east of the Jialing River. Pucheng operates about 709,729 square feet of warehouses and 108,554 square feet of office blocks, dormitories and vehicle workshop facilities on a leased land area of approximately 2,043,098 square feet. The principal business activities of Pucheng are those relating primarily to the leasing and management of the logistics hub and the provision of integrated multi-modal logistics operations. This strategic collaboration with Pucheng is to jointly develop existing site, pursuant to a 50 years lease period which was procured from the local government, into a Multi-Modal Distribution and Connectivity Centre in LJNA, in line with the Chongqing Connectivity Initiative between Singapore and PRC, in which, it will coordinate and integrate logistics resources across neighbouring logistics centres.

(c) Real Estate

GSH Plaza

On 6 February 2017, the Group announced that Vibrant's 51%-owned subsidiary, Vibrant DB2 Pte. Ltd. ("**Vibrant DB2**"), together with GSH Properties Pte. Ltd. and TYJ Group Pte. Ltd. (together, the "**Vendors**"), have entered into a binding term sheet ("**Term Sheet**") dated 6 February 2017 with Fullshare Holdings Limited ("**FHL**") for the proposed sale by the Vendors of the entire issued and paid-up share capital of Plaza Ventures Pte. Ltd. ("**Plaza Ventures**") to FHL or any company nominated by FHL and agreed to by the Vendors ("**Proposed Sale**") and the proposed assignment of the Shareholder Loans (as defined below) to the Purchaser ("**Proposed Assignment of Shareholder Loans**"). Further to the Term Sheet, the Vendors have, on 3 March 2017, entered into a conditional sale and purchase agreement ("**SPA**") with Five Seasons XXII Pte. Ltd. (being the Purchaser nominated by FHL) ("**Purchaser**") in respect of the Proposed Sale and the Proposed Assignment of Shareholder Loans.

Plaza Ventures is a private company limited by shares incorporated in Singapore and the registered owner and developer of the development project known as GSH Plaza which is situated at 20 Cecil Street, Singapore 049705. On 31 July 2017, Vibrant DB2 completed the Proposed Sale and Proposed Assignment of Shareholder Loans and disposed of its entire shareholding interest in Plaza Ventures for a consideration of S$81,180,363 (subject to any adjustments as may be agreed among the parties), being 35% of the consideration, in proportion with its shareholding percentage in Plaza Ventures. In addition, Vibrant DB2 has been paid S$46,025,000 for the proposed assignment of Vibrant DB2's portion of the Shareholder Loans (including accrued interest, if any). Post-completion, Plaza Ventures has ceased to be an associated company of the Group.

Industrial land in Changshu High Tech Industrial Park, CEDZ, Jiangsu

On 10 March 2017, the Group announced that Fervent had acquired a 50-year leasehold industrial land in Changshu High Tech Industrial Park, CEDZ, Jiangsu. It has a total land area of 824,010 square feet acquired for RMB 24,114,195. This plot of land is next to Fervent's first completed Changshu Fervent Industrial Park in Changshu, PRC, consisting of six blocks of standard light industrial factory and five-storey multi-purpose facility. The land will be reserved for development of built-to-suit industrial factories. The design and build of the factories will be customised to the specification of tenants. The Group announced on 25 July 2017 that Fervent has secured a 10-year lease contract to design and build a customised built-to-suit factory, including workshop, office and auxiliary facilities, with a lease area of 141,244 square feet.

The Group has an effective 48% shareholding interest in this project. The Group's share of investment cost was funded by internal sources. This investment is not expected to have a material impact on the earnings per share and net asset value per share of the Group for the current financial year ending 30 April 2017.

DIRECTORS AND SENIOR MANAGEMENT

(a) *Board of Directors*

The Directors of Vibrant are:

Name	Position
Sebastian Tan Cher Liang	Independent Non-Executive Chairman
Eric Khua Kian Keong	Executive Director and Chief Executive Officer
Henry Chua Tiong Hock	Executive Director and Chief Corporate Development Officer
Thomas Woo Sai Meng	Executive Director and Chief Investment Officer
Khua Hock Su	Group Advisor and Non-Executive Director
Derek Loh Eu Tse	Independent Non-Executive Director

Information on the business and working experience of each of the directors are set out below:

SEBASTIAN TAN CHER LIANG
Independent Non-Executive Chairman

Mr Tan was appointed as Independent Non-Executive Director on 5 November 2003 and assumed the role of Independent Non-Executive Chairman on 1 July 2016. He chairs the Audit Committee and is a member of the Remuneration Committee and Nominating Committee.

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

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

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

ERIC KHUA KIAN KEONG
Executive Director and Chief Executive Officer

Mr Khua was appointed as Chief Executive Officer on 5 November 2003. He is a member of the Nominating Committee. He is also an alternate director of Freight Management Holdings Berhad, an associated company listed on Bursa Malaysia.

He obtained his Bachelor of Science in Electrical Engineering and graduated cum laude from University of the Pacific, United States in 1987.

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

In addition, Mr Khua is the president of Nanyang Kuah Si Association, chairman of Pei Tong Primary School advisory committee, and a board member of Tan Kah Kee Foundation and the school management committee of Catholic High School. He is an executive committee member at Singapore Ann Kway Association.

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

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

同时，柯先生也担任新加坡南洋柯氏公会会长，新加坡培童小学咨委会主席，新加坡公教中学管理会委员及陈嘉庚基金理事及新加坡安溪会馆执行委员兼文书股主任。

在中国福建省，柯先生是福建省安溪第八中学校董会会长，世界泉州青年联谊会副会长，安溪县慈善总会副会长，安溪县蓬莱魁头慈善会副会长，荣获福建省人民政府颁发《福建省捐赠公益事业突出贡献奖》。

HENRY CHUA TIONG HOCK
Executive Director and Chief Corporate Development Officer

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

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

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

Mr Chua obtained his Bachelor of Arts degree from the University of Singapore. He also holds a Graduate Diploma in Business Administration from the National University of Singapore and a Graduate Diploma in Personnel Management from the Singapore Institute of Personnel Management.

THOMAS WOO SAI MENG
Executive Director and Chief Investment Officer

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

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

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

Mr Woo received his Bachelor of Economics degree from the University of New England, Australia and earned his MBA from the University of Queensland, Australia.

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

KHUA HOCK SU
Group Advisor and Non-Executive Director

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

Mr Khua is currently the Group Chairman of Lian Hup Group. He has been instrumental in the strategic direction and development of the Group, which has diverse interests in steel trading, investment, real estate development and logistics services.

Mr Khua is the permanent honorary president of Public Free Clinic Society, and serves as honorary president at The Singapore Buddhist Lodge. He is an honorary president of Nanyang Kuah Si Association and an honorary committee member of Singapore Metal and Machinery Association.

柯福赐先生今年荣退集团主席职位，委任集团顾问。目前柯先生是新加坡大众医院永远名誉院长，新加坡佛教居士林名誉林长，新加坡南洋柯氏公会名誉会长及新加坡五金机械公会名誉董事。

DEREK LOH EU TSE
Independent Non-Executive Director

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

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

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

(b) *Senior Management*

The senior management of the Group consists of:

Name	Position
Charles Chan Choong Poh	Chief Operating Officer Vibrant Group Limited
Simon Sim Geok Beng	Chief Financial Officer Vibrant Group Limited
Lawrence Sim Kay Sin	Executive Vice President Vibrant Group Limited
John Lim Sui Sen	Senior Vice President (Projects) Vibrant Group Limited
Michelle Tan	Vice President (Human Resource)
Kow Jiann Luen	Vice President (IT)

Name	Position
Freight & Logistics	
Alex Ng Boon Chuan	Director/Executive Vice President Freight Links Express Pte Ltd
Paul Liu	Senior Vice President Freight Links Express Pte Ltd
Don Tang Fook Yuen	General Manager LTH Logistics (Singapore) Pte Ltd Group of Companies
Lee Seng Hock	Senior Vice President (Operations) Freight Links Express Pte Ltd
Adrian Chia Seng Chye	Vice President (Consol & Marketing) Freight Links Express Pte Ltd
James Leong Weng Yu	Vice President (Consolidation) Freight Links Express Pte Ltd
Lawrence Lim Meng Jiow	Vice President (Marketing & Projects) Freight Links Express Pte Ltd
Vincent Yong Chee Leong	Vice President Crystal Freight Services Pte Ltd
Vincent See Chin Hok	Vice President Freight Links Logistics Pte Ltd
Sim Ee Huey	Assistant Vice President Freight Links Logistics Pte Ltd
Melvin Law Teck Wah	Chief Executive Officer GLE Integrated Pte Ltd
Real Estate	
Eric Khua Kian Keong	Executive Director and Chief Executive Officer
Henry Chua Tiong Hock	Executive Director and Chief Corporate Development Officer
Financial Services	
Brad Levitt	Chief Executive Officer Sentosa Capital (Pte) Ltd
Wang Yixin	General Manager Sinolink Financial Leasing Co., Ltd

Information on the business and working experience of members of the key executive team of the Group are set out below:

CHARLES CHAN CHOONG POH
Chief Operating Officer
Vibrant Group Limited

Mr Chan joined the Group as Chief Operating Officer in July 2012 to oversee its operations management, business development and technology deployment. Mr Chan has more than 38 years of working experience in the public and private sectors. He has held various senior positions in the defence, supply chain management, international air express and IT industries. When he was the General Manager of a leading air express MNC, he set up its first express logistics centre in South East Asia. At another leading logistics company, he headed a team responsible for establishing a nation-wide warehousing and distribution network in the PRC which covered more than 1,000 cities and towns.

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

SIMON SIM GEOK BENG
Chief Financial Officer
Vibrant Group Limited

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

Mr Sim has more than 30 years of working experience in finance, taxation and accounting, of which 23 years were spent holding senior positions. Prior to joining the Group, Mr Sim had related experience in various industries ranging from audit, insurance, airfreight, logistics, manufacturing and trading.

Mr Sim is a member of the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants, UK. He holds a Bachelor of Science (Economics) in Management Studies from the University of London.

LAWRENCE SIM KAY SIN
Executive Vice President
Vibrant Group Limited

Mr Sim was initially engaged as General Manager for the LTH Group of Companies in December 2006. In July 2008, he was re-designated to Senior Vice President (for Greater China) with Vibrant. In 2016, Mr. Sim was promoted to Executive Vice President.

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

JOHN LIM SUI SEN
Senior Vice President (Projects)
Vibrant Group Limited

Mr Lim is the Senior Vice President (Projects) of Vibrant. He supports the Group in projects development work. Prior to that, he was responsible for credit management. Mr Lim has been with the Group since January 2004.

Prior to joining the Group, Mr Lim worked with a leading express and logistics company for more than 13 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.

MICHELLE TAN
Vice President (Human Resource)

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

Prior to joining the Group, Ms Tan has over 10 years of human resource and administration exposure in both MNCs and local companies.

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

KOW JIANN LUEN
Vice President (IT)

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

He holds a Bachelor of Science (B.Sc.) Computer Science from University of Nebraska-Lincoln and has more than 19 years of experiences in software solution and development. Prior to joining the group, Mr Kow had worked with a leading local Singapore based third party logistics provider in the area of product development of logistics software.

Freight & Logistics

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

Mr Ng is the Executive Vice President of Freight Links Express Pte Ltd ("**Freight Links Express**") and has more than 33 years of experience in sales and marketing, agency and market development. He is responsible for the overall freight forwarding operations of Freight Links Express. His knowledge and experience is drawn from the long-standing career he has established in Freight Links Express since joining in August 1984.

PAUL LIU
Senior Vice President
Freight Links Logistics Pte Ltd

Mr Liu heads the Logistics Division and is responsible for business development and operations of integrated logistics services. He joined the Group in May 2015 and has more than 29 years of experience in freight forwarding, corporate marketing, logistics and supply chain management. Mr Liu has held senior management appointments at various global logistics service providers in which he has successfully advanced the development of total supply chain solutions encompassing air and sea freight transportation, warehousing and express services.

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

DON TANG FOOK YUEN
General Manager
LTH Logistics (Singapore) Pte Ltd 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.

LEE SENG HOCK
Senior Vice President (Operations)
Freight Links Express Pte Ltd

Mr Lee is the Senior Vice President of Freight Links Express and is overall responsible for the freight and operations of Freight Links Express. He joined Freight Links Express in October 1982 and has more than 35 years of experience in freight operations.

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

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

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

Mr Leong has more than 42 years of experience in the freight forwarding industry. He is responsible for the freight consolidation activities of Freight Links Express. Mr Leong joined Freight Links Express in November 1986 and has more than 31 years of experience in freight consolidation, operations, marketing and claims administration.

LAWRENCE LIM MENG JIOW
Vice President (Marketing & Projects)
Freight Links Express Pte Ltd

Mr Lim joined Freight Links Express in July 1999 and has more than 20 years of experience in Marketing & Projects logistics. He is responsible for the sales and marketing activities of Freight Links Express. Prior to joining the Group, Mr Lim worked in a leading Indonesian food and beverage company as Marketing Manager.

VINCENT YONG CHEE LEONG
Vice President
Crystal Freight Services Pte Ltd

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

VINCENT SEE CHIN HOK
Vice President
Freight Links Logistics Pte Ltd

Mr See joined the Group in January 1997 and has more than 38 years of experience in shipping, transportation, customer service, marketing, warehousing and distribution management. He is responsible for marketing, business account development, operations and logistics services.

Mr See holds a Master of Business Administration from Macquarie University, Australia, and a Bachelor of Business from the former Royal Melbourne Institute of Technology.

SIM EE HUEY
Assistant Vice President
Freight Links Logistics Pte Ltd

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

MELVIN LAW TECK WAH
Chief Executive Officer
GLE Integrated Pte Ltd

Mr Law is the Chief Executive Officer of GLE Integrated Pte Ltd. With more than 21 years of executive management experience in the supply chain, logistics, transport and freight forwarding industries, Mr Law possesses a unique range of skills and experience delivering best practice management and leadership.

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

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

Real Estate

ERIC KHUA KIAN KEONG
Executive Director and Chief Executive Officer

Please refer to the write-up on Mr Khua on page 102 under the section "Directors and Senior Management – Board of Directors".

HENRY CHUA TIONG HOCK
Executive Director and Chief Corporate Development Officer

Please refer to the write-up on Mr Chua on page 103 under the section "Directors and Senior Management – Board of Directors".

Financial Services

BRAD LEVITT
Chief Executive Officer
Sentosa Capital (Pte) Ltd

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

Mr Levitt graduated with a Bachelor of Economics from the University of California, Davis and with a Master of Business Administration in Finance from the University of California, Los Angeles.

WANG YIXIN
General Manager
Sinolink Financial Leasing Co., Ltd

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

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

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth selected consolidated financial information of the Group for FY2015, FY2016 and FY2017. This selected financial information has been derived from, and should be read in conjunction with, the Group's audited consolidated financial statements for FY2016 and FY2017, including the notes thereto, which appear in Appendices II and III of this Information Memorandum.

Consolidated Income Statements for FY2015, FY2016, FY2017

	2015	**2016**	**2017**
	$'000	**$'000**	**$'000**
Revenue	203,204	280,731	184,620
Cost of sales	(139,151)	(217,322)	(123,984)
Gross profit	64,053	63,409	60,636
Other income	34,853	51,464	63,598
Administrative expenses	(53,325)	(41,582)	(44,717)
Other operating expenses	(12,085)	(40,313)	(38,710)
Profit from operations	33,496	32,978	40,807
Finance income	3,428	5,377	4,700
Finance costs	(9,486)	(12,919)	(13,810)
Net finance (costs) / income	(6,058)	(7,542)	(9,110)
Share of profit of associates, net of tax	1,727	6,950	(6,329)
Profit before income tax	29,165	32,386	25,368
Income tax expense	(2,562)	(3,628)	(4,895)
Profit for the year	26,603	28,758	20,473
Profit attributable to:			
Owners of the Company	30,003	10,023	3,422
Non-controlling interests	(3,400)	18,735	17,051
Profit for the year	26,603	28,758	20,473
Earnings per share			
Basic earnings per share (cents)	5.84	1.86	0.59
Diluted earnings per share (cents)	5.84	1.86	0.59

Consolidated Statements of Financial Position as at 30 April 2015, 30 April 2016 and 30 April 2017

	2015	2016	2017
	$'000	$'000	$'000
Assets			
Property, plant and equipment	235,249	276,182	270,671
Intangible assets	472	472	472
Investment properties	102,474	250,426	116,296
Associates	92,402	97,290	79,157
Other investments	69,919	55,606	34,602
Trade and other receivables	59,518	55,733	57,029
Deferred tax assets	651	2,551	1,495
Non-current assets	560,685	738,260	559,722
Other investments	84,502	72,573	105,437
Development properties	137,954	-	88,475
Construction-in-progress	-	51,556	–
Inventories	409	505	497
Trade and other receivables	120,351	158,319	233,855
Cash and cash equivalents	23,260	23,088	63,039
Assets classified as held for disposal	6,351	29	–
Current assets	372,827	306,070	491,303
Total assets	933,512	1,044,330	1,051,025
Equity			
Share capital	111,551	122,476	139,854
Perpetual securities	97,947	97,947	97,947
Other reserves	2,264	1,900	(2,395)
Accumulated profits	160,534	148,848	134,952
Equity attributable to owners of the Company	372,296	371,171	370,358
Non-controlling interests	65,830	80,288	94,013
Total equity	438,126	451,459	464,371
Liabilities			
Loans and borrowings	175,349	141,387	112,136
Notes payables	101,074	101,509	–
Trade and other payables	16,483	41,732	65,138
Provisions	5,058	3,549	3,644
Deferred tax liabilities	2,136	6,328	7,901
Non-current liabilities	300,100	294,505	188,819
Loans and borrowings	108,120	206,020	130,241
Notes payable	–	–	101,919
Current tax payable	8,378	8,534	9,139
Trade and other payables	78,507	83,672	156,396
Provisions	134	136	140
Liabilities classified as held for disposal	147	4	–
Current liabilities	195,286	298,366	397,835
Total liabilities	495,386	592,871	586,654
Total equity and liabilities	933,512	1,044,330	1,051,025

Financial Review

FY2017 versus FY2016

Financial Performance

The Group recorded revenue of $184.6 million, a significant decrease compared to $280.7 million in FY2016. The decrease was attributed to the lower sales revenue from the real estate business and the freight and logistics business. The gross profit margin improved from 22.6% to 32.8% due to higher profit margin generated from financial services business. The Group achieved profit from operations of $40.8 million in FY2017, up 23.7% from $33.0 million in FY2016.

Freight and Logistics segment remained the main contributor to the Group's revenue. However, the revenue for FY2017 decreased by 4.2% to $152.3 million from $158.9 million in the previous financial year due to disposal of loss making subsidiary in ISO tanks business which contributed $12.0 million revenue in FY2016. The segment reported a net loss of $5.1 million in FY2017 as compared to a profit after tax of $2.4 million in FY2016. This was mainly due to the absence of accretion of deferred revenue which was fully amortised as a result of the leases expired in November 2015 with Sabana REIT in FY2016.

Financial Services segment reported a marginal 0.6% decrease in revenue to $17.4 million as compared to the previous financial year. The segment reported a loss after tax of $6.3 million as compared to a loss of $11.6 million in FY2016. The lower loss was attributable to the higher interest income recognised on the prepayment of the loan from Urban Property Investments Limited which was due in 2019 and lower impairment loss on the available-for-sale financial assets.

The revenue from real estate business dropped significantly from $104.3 million in FY2016 to $14.9 million in FY2017. The decrease was mainly due to the lower contribution of the government-approved resettlement housing project in Jiangyin, China. However, the segment reported a higher net profit after tax of $42.8 million as compared to $33.8 million in FY2016 as a result of the gain on disposal of an associate, Plaza Ventures Pte Ltd. The Group has recognised the gain on disposal of Plaza Ventures Pte Ltd as it has fulfilled the conditions precedent and other substantive obligations pursuant to the sale and purchase agreement, as at 30 April 2017.

The Group reported share of loss from associates of $6.3 million in FY2017 as compared to share of profit of $7.0 million in FY2016 mainly due to share of loss from China Southwest Energy Corporation Ltd that resulted from the impairment loss on receivables and lower sales revenue of the strata office units of Plaza Ventures Pte Ltd.

The income attributable to non-controlling interests was lower as a result of the lower profit from financial services business as a result of the impairment of receivables from leasing activities, which is held by a non-wholly owned subsidiary. Consequently, the Group's net profit attributable to owners of the Company decreased by 65.9% to $3.4 million compared to $10.0 million in FY2016.

FY2016 versus FY2015

Financial Performance

The Group turnover increased significantly to $280.7 million in FY2016 from $203.2 million in FY2015. The increase was mainly attributable to the real estate business, with contribution from the two government-approved resettlement housing development projects in Jiangyin, China. The gross profit margin decreased from 31.5% to 22.6% as a result of the lower margin from the first housing project in China.

Freight and Logistics segment remained the main contributor to the Group's revenue. However, the revenue for FY2016 decreased by 11.5% to $158.9 million from $179.6 million in the previous financial year due to the disposal of loss making subsidiary and decrease in volume handled in freight and logistics business. Consequently, the segment profit after tax decreased by 83.7% or $12.5 million to $2.4 million in FY2016. This was also due to accretion of deferred revenue fully amortised as a result of the leases expired in November 2015 with Sabana REIT.

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

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

The Group achieved profit from operations of $33.0 million in FY2016 compared to $33.5 million in FY2015. Excluding the fair value adjustments, the operating profits would have been improved by 4.9% or $1.7 million to $36.5 million in FY2016 from $34.8 million in FY2015.

The Group's share of profits from associates increased significantly to $7.0 million in FY2016 from $1.7 million in the previous financial year. The increase came mainly from Plaza Ventures Pte Ltd from the sale of strata office units at GSH Plaza and from Figtree Holdings. The increase was partially offset by lower share of profits in Freight Management Holdings Bhd and share of losses from China Southwest Energy Corporation Ltd.

The income attributable to non-controlling interests was significantly higher than previous financial year, mainly due to higher profits from real estate business and from an associate, Plaza Ventures Pte Ltd, which is held by a non-wholly owned subsidiary. Consequently, the Group's net profit attributable to owners of the Company decreased by 66.6% or $20.0 million to $10.0 million compared to $30.0 million in FY2015.

RISK FACTORS

Prior to making an investment or divestment decision, prospective investors in or existing holders of the Securities should carefully consider, amongst other things, all the information set forth in this Information Memorandum including any documents incorporated by reference herein and the risk factors set out below.

The risk factors set out below do not purport to be complete or comprehensive of all the risk factors that may be involved in the business, assets, financial condition, results of operations, performance or prospects of the Issuer and its subsidiaries or the properties owned by the Group or any decision to purchase, own or dispose of the Securities. Additional risk factors which the Issuer is currently unaware of may also impair its business, assets, financial condition, results of operations, performance or prospects. If any of the following risk factors develop into actual events, the business, assets, financial condition, performance or prospects of the Issuer and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuer to comply with its obligations under the Trust Deed and the Securities may be adversely affected and investors may lose all or part of their investments in the Securities.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing holder of the Securities may require in investigating the Issuer or the Group, prior to making an investment or divestment decision in relation to the Securities issued under the Programme.

Neither this Information Memorandum nor any document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Securities (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Securities.

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Securities only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Securities is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuer, its subsidiaries and/or its associated companies, the Arranger, any of the Dealers or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Securities should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group, the terms and conditions of the Securities and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Securities.

This Information Memorandum contains forward-looking statements. These forward-looking statements are based on a number of assumptions which are subject to uncertainties and contingencies, many of which are outside the Issuer's control. The forward-looking information in this Information Memorandum may prove inaccurate. Please see the section entitled "Forward-looking Statements" on page 5 of this Information Memorandum.

RISKS ASSOCIATED WITH AN INVESTMENT IN THE SECURITIES

Limited Liquidity of the Securities issued under the Programme

There can be no assurance regarding the future development of the market for the Securities issued under the Programme or the ability of the Securityholders, or the price at which the Securityholders may be able, to sell their Securities. The Securities may have no established trading market when issued, and one may never develop. Even if a market for the Securities does develop, it may not be very liquid. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Securities generally would have a more limited secondary market and more price volatility than conventional debt securities.

Liquidity may have a severely adverse effect on the market value of the Securities. Although the issue of additional Securities may increase the liquidity of the Securities, there can be no assurance that the price of such Securities will not be adversely affected by the issue in the market of such additional Securities.

Fluctuation of the Market Value of Securities

Trading prices of the Securities are influenced by numerous factors, including the operating results and/or financial condition and/or future prospects of the Issuer, its subsidiaries and/or its associated companies (if any), the market for similar securities, political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuer, its subsidiaries and/or its associated companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuer, its subsidiaries and/or its associated companies (if any) operate or have business dealings, could have a material adverse effect on the operating results and/or the financial condition of the Issuer, its subsidiaries and/or its associated companies (if any).

Interest Rate Risk

Securityholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in note and/or perpetual security prices, resulting in a capital loss for the Securityholders. However, the Securityholders may reinvest the interest or distribution payments at higher prevailing interest rates. Conversely, when interest rates fall, note and/or perpetual security prices may rise. The Securityholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation Risk

Securityholders may suffer erosion on the return of their investments due to inflation. Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Securities. An unexpected increase in inflation could reduce the actual returns.

The Securities may not be a suitable investment for all investors

Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Securities, the merits and risks of investing in the relevant Securities and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Securities and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Securities, including Securities with principal, distribution or interest payable in one or more currencies, or where the currency for principal, distribution or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Securities and be familiar with the behaviour of any relevant indices and financial markets;

(v) understand thoroughly the nature of all those risks before making a decision to invest in the Securities; and

(vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Securities are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Securities are legal investments for it, (2) the Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Securities under any applicable risk-based capital or similar rules.

Performance of contractual obligations by the Issuer is dependent on other parties

The ability of the Issuer to make payments in respect of the Securities may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed and the Agency Agreement of their obligations thereunder including the performance by the Trustee, the Issuing and Paying Agent, the Agent Bank, the Registrar and/or the Transfer Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Securities, the Issuer may not, in such circumstance, be able to fulfill its obligations to the Securityholders and the Couponholders.

The Trustee may request Securityholders to prove an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (pursuant to Condition 10 of the Notes or, as the case may be, Condition 9 of the Perpetual Securities), the Trustee may, at its sole discretion, request Securityholders to provide an indemnity to its satisfaction before it takes action on behalf of Securityholders. The Trustee shall not be obliged to take any such action if not indemnified to its satisfaction. Negotiating and agreeing to an indemnity can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take action, notwithstanding the provision of an indemnity to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Securityholders to take such action directly.

The Securities may be subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Securities. During any period when the Issuer may elect to redeem Securities, the market value of such Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Securities when its cost of borrowing is lower than the interest rate on the Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Securities may be issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Modification

The terms and conditions of the Securities contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may agree, without the consent of the Securityholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Securities may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed which is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders.

Securities denominated in foreign currencies are subject to currency risks

The Issuer's revenue is denominated in Singapore dollars, US dollars and Renminbi and the Issuer's operating expenses are incurred in Singapore dollars, US dollars and Renminbi as well. As Securities issued under the Programme can be denominated in currencies other than Singapore dollars, the Issuer may be affected by fluctuations between the Singapore dollar and such foreign currencies in meeting the payment obligations under such Securities and there is no assurance that the Issuer may be able to fully hedge the currency risks associated with such Securities denominated in foreign currencies.

A change in Singapore law which governs the Securities may adversely affect Securityholders

The Securities are governed by Singapore law in effect as at the date of issue of the Securities. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of issue of the Securities.

The Securities may be represented by Global Securities or Global Certificates and holders of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System (as defined below)

Securities issued under the Programme may be represented by one or more Global Securities or Global Certificates. Such Global Securities or Global Certificates will be deposited with or registered in the name of, or in the name of a nominee of, a common depositary for Euroclear and/or Clearstream, Luxembourg, or lodged with CDP (each of Euroclear, Clearstream, Luxembourg, CDP and/or such other clearing system, a "**Clearing System**"). Except in the circumstances described in the relevant Global Security or Global Certificate, investors will not be entitled to receive Definitive Securities or Certificates. The relevant Clearing System will maintain records of their accountholders in relation to the Global Securities and Global Certificates. While the Securities are represented by one or more Global Securities or Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System.

While the Securities are represented by one or more Global Securities or Global Certificates, the Issuer will discharge its payment obligations under the Securities by making payments to the common depositary for Euroclear and/or Clearstream, Luxembourg or, as the case may be, to CDP, for distribution to their accountholders or, as the case may be, to the Issuing and Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System. A holder of a beneficial interest in a Global Security or Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the relevant Securities. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global Certificates.

Holders of beneficial interests in the Global Securities and Global Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

Exchange rate risks and exchange controls may result in Securityholders receiving less interest, distribution and/or principal than expected

The Issuer will pay principal and interest or distributions on the Securities in the currency specified. This presents certain risks relating to currency conversions if Securityholders' financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency in which the Securities are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Securities are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Securities are denominated would decrease (a) the Investor's Currency equivalent yield on the Securities, (b) the Investor's Currency equivalent value of the principal payable on the Securities, if any, and (c) the Investor's Currency equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Securityholders may receive less principal, interest and/or distribution than expected, or no principal, interest and/or distribution at all.

The Securities are not secured

The Securities and Coupons relating to them constitute direct, unconditional, unsubordinated (except in the case of Subordinated Perpetual Securities) and unsecured obligations of the Issuer. Accordingly, on a winding-up or insolvency of the Issuer at any time prior to maturity of any Securities, the Securityholders will not have recourse to any specific assets of the Issuer or, as the case may be, its subsidiaries, its associated companies (if any) and/or its joint venture companies (if any) as security for outstanding payment or other obligations under the Securities and/or Coupons owed to the Securityholders. There can be no assurance that there would be sufficient value in the assets of the Issuer, after meeting all claims ranking ahead of the Securities, to discharge all outstanding payment and other obligations under the Securities and/or Coupons, as the case may be, owed to the Securityholders.

The value of the Securities could be adversely affected by a change in Singapore law or administrative practice

The terms and conditions of the Securities are based on Singapore law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to Singapore law or administrative practice after the date of this Information Memorandum and any such change could materially adversely impact the value of any Securities affected by it.

Securityholders should be aware that Definitive Securities and Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade

In relation to any issue of Securities which have a denomination consisting of a minimum Denomination Amount (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is possible that the Securities may be traded in amounts in excess of the minimum Denomination Amount that are not integral multiples of such minimum Denomination Amount. In such a case a Securityholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Denomination Amount will not receive a Definitive Security or Certificate in respect of such holding (should definitive Securities or Certificates be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Denomination Amounts. If Definitive Securities or Certificates are issued, holders should be aware that Definitive Securities or Certificates which have a denomination that is not an integral multiple of the minimum Denomination Amount may be illiquid and difficult to trade. Definitive Securities will in no circumstances be issued to any person holding Securities in an amount lower than the minimum denomination and such Securities will be cancelled and holders will have no rights against the Issuer (including rights to receive principal or interest or to vote or attend meetings of Securityholders) in respect of such Securities.

RISKS RELATING TO THE NOTES

Variable Rate Notes may have a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Singapore Taxation Risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2018 are intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfillment of certain conditions more particularly described in the section "Singapore Taxation" herein.

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

RISKS RELATING TO THE PERPETUAL SECURITIES

Perpetual Securities may be issued for which investors have no right to require redemption

The Perpetual Securities are perpetual and have no fixed final maturity date. Perpetual Securityholders have no right to require the Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Perpetual Securityholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, holders of Perpetual Securities should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time.

If so specified in the relevant Pricing Supplement, Perpetual Securityholders may not receive distribution payments if the Issuer elects to not pay all or a part of a distribution under the terms and conditions of the Perpetual Securities

If Optional Payment is specified in the relevant Pricing Supplement, the Issuer may, at its sole discretion, elect not to pay any scheduled distribution on the Perpetual Securities in whole or in part for any period of time. The Issuer is subject to certain restrictions in relation to the declaration or payment of distributions on its Junior Obligations and (except on a *pro rata* basis) its Parity Obligations and the redemption and repurchase of its Junior Obligations and (except on a *pro rata* basis) its Parity Obligations in the event that it does not pay a distribution in whole or in part. The Issuer is not subject to any limit as to the number of times or the amount with respect to which the Issuer can elect not to pay distributions under the Perpetual Securities. While the Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution, being an optional amount equal to the amount of distribution which is unpaid in whole or in part, there is no assurance that the Issuer will do so, and distributions which are not paid in whole or in part may remain unpaid for an indefinite period of time. Any non-payment of a distribution in whole or in part shall not constitute a default for any purpose. Any election by the Issuer not to pay a distribution in whole or in part, will likely have an adverse effect on the market price of the Perpetual Securities. In addition, as a result of the potential non-cumulative distribution feature of the Perpetual Securities and the Issuer's ability to elect not to pay a distribution in whole or in part, the market price of the Perpetual Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such election not to pay and may be more sensitive generally to adverse changes in the Issuer's and/or the Group's financial condition.

If so specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the Issuer's option at date(s) specified in the relevant Pricing Supplement or on the occurrence of certain other events

The Perpetual Securities are perpetual securities and have no fixed final redemption date. If specified in the relevant Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer on certain date(s) specified in the relevant Pricing Supplement at their principal amount (or such other redemption amount stated in the relevant Pricing Supplement) together with all outstanding Arrears of Distribution, Additional Distribution Amounts and distribution accrued to the date fixed for redemption. In addition, if specified on the relevant Pricing Supplement, the Issuer may, at its option, redeem the Perpetual Securities in whole, but not in part, on any Distribution Payment Date, or any time after such Distribution Payment Date, upon the occurrence of certain other events. Please refer to *"Terms and Conditions of the Perpetual Securities – Redemption and Purchase*".

The date on which the Issuer elects to redeem the Perpetual Securities may not accord with the preference of individual Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of the holder of Perpetual Securities. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

There are limited remedies for non-payment under the Perpetual Securities

Any scheduled distribution will not be due if the Issuer elects not to pay all or a part of that distribution pursuant to the terms and conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to non-payment defaults, the right to institute winding-up proceedings is limited to circumstances where payment has become due and the Issuer fails to make the payment when due. The only remedy against the Issuer available to any Perpetual Securityholder for recovery of amounts in respect of the Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities will be proving in such winding-up and/or claiming in the liquidation of the Issuer in respect of any payment obligations of the Issuer arising from the Perpetual Securities.

The Issuer may raise or redeem other capital which affects the price of the Perpetual Securities

The Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the terms and conditions of the Perpetual Securities, the Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by holders of Perpetual Securities on a winding-up of the Issuer, and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of holders of Perpetual Securities to sell their Perpetual Securities.

The Subordinated Perpetual Securities are subordinated obligations

The obligations of the Issuer under the Subordinated Perpetual Securities will constitute unsecured and subordinated obligations of the Issuer. In the event of the winding-up of the Issuer, the rights of the holders of Subordinated Perpetual Securities to receive payments in respect of the Subordinated Perpetual Securities will rank senior to the holders of all Junior Obligations of the Issuer and *pari passu* with the holders of all Parity Obligations of the Issuer, but junior to the claims of all other creditors, including, for the avoidance of doubt, the holders of Senior Perpetual Securities and/or Notes. In the event of a shortfall of funds or a winding-up, there is a real risk that an investor in the Subordinated Perpetual Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid Arrears of Distribution, Additional Distribution Amounts or accrued distribution.

In addition, subject to the limit on the aggregate principal amount of Securities that can be issued under the Programme (which can be amended from time to time by the Issuer without the consent of the Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a winding-up of the Issuer and/or may increase the likelihood of a non-payment of distribution under the Subordinated Perpetual Securities.

Tax treatment of the Perpetual Securities is unclear

It is not clear whether any particular tranche of the Perpetual Securities (the "**Relevant Tranche of the Perpetual Securities**") will be regarded as debt securities by the IRAS for the purposes of the ITA or that distribution payments made under the Relevant Tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and whether the tax concessions available for qualifying debt securities under the Qualifying Debt Securities scheme (as set out in the section "Singapore Taxation") would apply to the Relevant Tranche of the Perpetual Securities.

If the Relevant Tranche of the Perpetual Securities are not regarded as debt securities for the purposes of the ITA or distribution payments made under the Relevant Tranche of the Perpetual Securities are not regarded as interest payable on indebtedness and holders thereof are not eligible for the tax concessions under the Qualifying Debt Securities scheme, the tax treatment to holders may differ. Investors and holders of the Relevant Tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Perpetual Securities.

RISKS RELATING TO THE ISSUER'S AND THE GROUP'S BUSINESS, FINANCIAL CONDITION AND/ OR RESULTS OF OPERATIONS

The Group may not be able to expand its business effectively through acquisitions, investments, joint ventures and new lines of business

The Group aims to broaden its core business by providing financial services and asset management services in addition to its more traditional areas. Further, it continues to strengthen its global presence and as such, may continue to expand, change or adjust its geographic focus or the composition of its business, strengthening its institutional shareholder base, opportunistically acquiring new businesses or properties, entering into new strategic alliances and joint ventures, investing in infrastructure or entering into new lines of business. However, the Group's ability to benefit from such strategies, acquisitions, investments, alliances and joint ventures will depend upon a number of factors, some of which are beyond its control. These factors include, but are not limited to, the Group's ability to maintain, expand or develop its customer relationships, identify businesses for acquisition, investments, joint ventures or alliances, successfully integrate any business the Group acquires, identify additional new markets, successfully work with the Group's joint venture partners or other shareholders and train and retain qualified personnel to manage and operate its growing business and new businesses. In addition, such expansion will require the Group to continuously upgrade and improve its risk management systems and controls and ensure that all members of staff are adequately trained in its risk management policies coupled with an effective compliance monitoring mechanism. The failure to manage any of these factors effectively, including the Group's ability to identify, purchase, develop, integrate and manage any new businesses, may have a material adverse effect on the Group's business, financial condition and results of operations.

Integrating new businesses into the Group's operations framework and ensuring their proper management may also involve unanticipated delays, costs and operational problems, in particular with respect to businesses with which the Group has not had extensive experience in the past. The Group may encounter problems or have disagreements or conflicting interests with one or more of the Group's joint ventures or alliance partners or the other shareholders or managements of the Group's acquisitions. Further, with respect to some joint ventures or the Group's equity investments in which the Group only holds a minority share, the Group may not be able to control the management of such joint ventures. In case of disagreement with the Group's partners or other shareholders or acquired managements, such parties may breach or terminate the Group's previously negotiated agreements or acquired managements may leave and the Group's senior management may be required to divert attention away from other aspects of the Group's business to address these problems. Acquisitions also pose the risk that the Group may be exposed to successor liability relating to actions by an acquired company and its management before and after the acquisition. The due diligence the Group conducts in connection with an acquisition, and any contractual guarantees or indemnities that the Group receives from the sellers of acquired companies, may not be sufficient to protect the Group from, or compensate the Group for, actual liabilities. A material liability associated with an acquisition could adversely affect the Group's reputation and could reduce the benefits of the acquisition and may have a material adverse effect on the Group's business, financial condition and results of operations.

Uncertainties and instability in global market conditions could adversely affect the business, financial position and financial condition of the Group

The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. Concerns about sovereign debt in Europe, falling oil prices, a sharp slowdown of the Chinese economy, slower economic growth of emerging economies, uncertainty about economic recovery in the Eurozone and uncertainty over the U.S. Federal Reserve's monetary policy have continued to have a negative impact on the global credit and financial markets. Economic factors including, without limitation, changes in currency rates, interest rates and inflation, changes in gross domestic product and economic growth, employment levels and consumer spending, consumer and investment sentiment, property market volatility and availability of debt and equity capital could adversely affect the business, financial condition and results of operations of the Group.

The logistics industries which the Group operates in are highly competitive

The Group operates in highly competitive industries and faces increased competition in each of its major businesses on a local, regional and international level. This is especially so as most logistics-related contracts are subject to renewal and re-tender on a periodic basis, and are also price-sensitive.

Some of the Group's competitors are larger players in the logistics industry and may therefore have greater resources, both financial and otherwise, to compete more successfully over a longer period of time. Should the Group's existing or potential competitors offer services at a lower cost or engage in aggressive pricing in order to increase market share, the Group's revenue and profitability may decline if the Group is not able to match their lower costs or aggressive pricing.

The Group may also have to provide more competitive pricing in order to retain the Group's existing customers and attract new customers. A reduction in the Group's pricing without any corresponding cost reduction will adversely affect the Group's profitability.

The industries in which the Group operates are characterised by keen competition. The Group's competitors may expand or engage in pricing or other financial or operational practices that could increase competitive pressure on the Group. Increased competition may reduce the Group's growth in its customer base, market share and profit margins. If the Group fails to maintain its competitive advantages, the Group's business, financial condition and results of operations may be materially and adversely affected.

The Group is exposed to the risks of fuel price and freight rate fluctuations

The Group is exposed to the risks of fluctuations in fuel prices and freight rates. The cost of transportation (which includes freight rates and fuel prices) comprises a significant portion of the operation costs of the Group's logistics business. Significant increases in these costs will pose a risk to the Group's profitability and revenue if it is unable to pass on all such costs to its customers or if the demand for the Group's services is reduced as a result of such cost increases. The Group mitigates the risk of higher fuel prices and freight rates by passing on the increase in fuel prices and freight rates to its customers. However, it may not always be possible for the Group to pass the increase in fuel prices and freight rates to its customers and this may have a material impact on the Group's business, financial condition and results of operations.

The Group is exposed to defaults from customers on their obligations

The Group's customer base is large and diverse. These customers are internationally dispersed and operate in a variety of end markets. The Group's business is predominantly in Asia where its growth will be more sustainable, and a key part of the Group's strategy involves expanding into these markets. The Group mitigates its counterparty risk by transacting with customers with a good credit history or by requiring customers to place cash deposits, arrange letters of credit facilities or make financial arrangements with established and creditworthy financial institutions. However, there can be no assurance that the Group will always be able to transact with customers with a good credit history or adequately mitigate counterparty risk with adequate security. As such, the Group cannot assure that all of the Group's customers will be able to or willing to fulfil their obligations under the contracts that the Group enters with them.

The Group's Financial Services Business is exposed to the risk of customers defaulting on their obligations and the Group may incur losses as a result thereof. The value of collateral or guarantees securing the Group's leases and the assets underlying these leases which are disposed of upon repossession may be inadequate for the Group to recover its receivables under the leases.

The Group is exposed to lapses in risk management measures

The Group's entry into the financial leasing business will require the implementation of robust risk management measures to mitigate the credit risks associated with such business. Credit risks could arise from a deterioration in the credit quality of the Group's specific counterparties or from a general deterioration in local or global economic conditions or from systemic risks within the financial systems.

The Group may experience limited availability of funds and faces risks associated with debt financing

The Group operates an extensive network of storage facilities and transportation assets as part of the Group's business and is required to make capital expenditure to maintain, upgrade and expand these assets to keep pace with competitive developments, technological advances and changing safety standards in various industries. The Group's other business divisions may also require substantial capital investment or cash outlay. Accordingly, the Group's business operations depend on its ability to secure sufficient liquidity and capital resources. To finance its working capital, the Group relies on its internal resources and bank borrowings. The Group may require additional financing to fund working capital requirements and its growth strategy, to support the future growth of its business and/or to refinance existing debt obligations. There can be no assurance that additional financing, either on a short-term or long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Group. There is a risk that existing borrowings may be terminated by the lenders upon the occurrence of certain events and there can be no assurance that the Group will be able to refinance its existing borrowings, or that the terms of any refinancing undertaken will be as favourable as the terms of existing borrowings.

Factors that could affect the Group's ability to procure financing and/or refinancing include the Group's operating performance and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. A global credit crunch will also have an adverse impact on the availability and cost of funding and consequently may hinder the Group's ability to obtain additional financing. This would in turn adversely affect the Group's cash flow and the Issuer's ability to fulfill its payment obligations under the Securities.

In addition, the Group is, and in the future may continue to be, subject to certain covenants in connection with its borrowings that may limit or otherwise adversely affect its operations and its ability to fulfill the Issuer's payment obligations under the Securities. Such covenants may:

- restrict the Group's ability to undertake further capital expenditure;
- require the Group to set aside funds for maintenance or repayment of security deposits;
- require the Group to dedicate a portion of its cash flow from its operations to repayment of debt, thereby reducing the availability of cash flow for capital expenditure, working capital and other general corporate purposes; or

- restrict the Group's ability to respond swiftly to developments in the Group's businesses and the relevant industries in which these businesses operate.

The Group is exposed to risks in emerging markets

A growing portion of the Group's business is in emerging markets such as the PRC and the Middle East. A deterioration in the economies of emerging markets, a national, regional or global recession, any slowdown in the global economy, a devaluation of the currencies of emerging markets or a significant decrease in demand for imports to, and exports from, such emerging markets may adversely affect economic growth in these emerging markets and may have a material adverse effect on the Group's business, financial condition and results of operations. Please refer to the risk factor titled "The Group is subject to country-specific risks in the jurisdictions in which it operates, including political, regulatory and economic risks." for more details.

The Group's operations may be adversely affected if there is any prolonged and significant downtime of certain specialised equipment, systems or power supply

The Group's ability to maintain its business operations depends on the continued operation of its specialised equipment, systems and power supply. Any prolonged and significant downtime of the Group's equipment, systems or power supply (for example, as a result of accidents or other unforeseen circumstances) may cause major disruptions to the Group's operations. This may be so when the Group operates at or close to maximum capacity and such downtime or disruption could be beyond the Group's control. While the Group has not experienced any such prolonged and significant downtime of the Group's equipment, systems or power supply in the past, there is no assurance that this will not happen in the future. In the event the Group is affected by such prolonged and significant downtime of its equipment, systems or power supply, certain of its operations and its financial performance may be adversely affected.

Acts of God, acts of war, terrorist attacks, epidemics, political and civil unrest, disobedience and responses to terrorist attacks and other events could adversely affect the Group's business

Acts of God, acts of war, terrorist attacks, epidemics, political and civil unrest, disobedience and responses to terrorist attacks and other events may cause political instability and volatility in the world's financial, energy and commodities markets. The Group's geographic presence in Asia and the Middle East may make the Group vulnerable in the event of increased tension or hostilities in many countries including the PRC or North Korea and events such as the recent conflicts and civilian uprisings in the Middle East. Such instability could be caused by, among other things, terrorism, civil war, guerrilla activities, military repression, civil disorder, crime, workforce instability, change in governmental policy or the ruling party, economic or other sanctions imposed by other countries, extreme fluctuations in currency exchange rates or high inflation. Any such events may affect the Group's business, employees, facilities, markets and the Group's customers and the Group may also suffer material losses in excess of insurance proceeds in relation to its properties and potential liabilities to third parties, which may in turn materially impact the Group's revenue, costs of operations, overall results and financial condition.

The outbreak of an infectious disease such as Influenza A (H1N1) or avian influenza (H5N1), Zika virus, bird flu (H7N9) or natural disasters such as earthquakes, tsunamis and nuclear crises, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy and business activities worldwide. There can be no assurance that any precautionary measures taken against infectious diseases or natural disasters would be effective. Any future outbreak of an infectious disease or any similar public health concern, or future occurrence of natural disasters, could materially and adversely affect the Group's business, financial condition and/or results of operations.

The Group relies on key executives and personnel

The Group's performance depends in part on the continued services and performance of the Group's senior management and other executive personnel. The Group's performance also depends on the Group's ability to attract, retain and motivate the Group's officers and key employees, many of whom would be difficult to replace. If these key personnel are to leave the Group in the future or compete with the Group, the loss of the services of these individuals may compromise the Group's ability to achieve its objectives and may have a material adverse effect on the Group's business, financial condition and/or results of operations.

The Group may be exposed to risks associated with exchange and interest rate fluctuations, and may engage in hedging transactions, which can limit gains and increase exposure to losses

The Group's existing debt carries floating interest rates and the Group's borrowings in future may also carry floating interest rates and consequently, the interest cost to the Group will be subject to fluctuations in interest rates. Accordingly, any fluctuation in interest rates may have a material adverse effect on the Group's business, financial condition and results of operations.

As Vibrant's functional currency is denominated in Singapore dollars, any fluctuation in Singapore dollars against the relevant foreign currency may affect the Group's profitability and financial position. For example, any foreign-denominated income which is derived from the Financial Services Business' and the Real Estate Business' overseas units may decrease if the value of the Singapore Dollar appreciates against the relevant foreign currency, adversely affecting the profitability of the Group.

The Group may enter into hedging transactions to protect itself from the effects of exchange and interest rate fluctuations and also to protect its portfolio from interest rate and prepayment fluctuations. Hedging transactions may include entering into interest rate or exchange rate-hedging instruments, purchasing or selling futures contracts, purchasing put and call options or entering into forward agreements. Hedging activities may not have the desired beneficial impact on the operations or financial condition of the Group.

Hedging could fail to protect the Group or adversely affect the Group because among others:

(i) available hedging may not correspond directly with the exchange or interest rate risk for which protection is sought;

(ii) the party owing money in the hedging transaction may default on its obligation to pay;

(iii) the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs the Group's ability to sell or assign its side of the hedging transaction; and

(iv) the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Downward adjustments would reduce the net asset value of the Group.

Hedging involves risks and transaction costs, which may reduce overall returns. These costs increase as the period covered by the hedging increases and during periods of rising and volatile interest rates.

Potential liability arising from damage to property and injury or death to persons

As the Group's business involves, *inter alia*, the movement and management of materials in premises owned or operated by the Group and by third parties, the Group's employees and other third parties may be involved in accidents in its premises or those of third parties or involving vehicles or machines owned or operated by the Group or by third parties. These accidents may occur as a result of vehicular or machinery accidents, fire, or material handling incidents including incidents arising from the handling of dangerous goods, which may result in injury or death, or damage to property, vehicles or customers' goods.

There is no assurance that accidents resulting in injury to persons, death or damage to property, vehicles or customers' goods will not arise even though the Group has taken all reasonable steps to comply with safety requirements and/or other safety measures. The Group may be liable, whether contractually or at law, for any or all of such loss or damage or injury or loss of life. In the event that the Group's insurance policies do not adequately cover its liabilities arising from an accident and for claims that are in excess of the Group's insurance coverage, the Group's financial performance and position could be adversely affected as a result.

Disputes may arise between customers and the Group for various reasons including damage to customers' goods, machinery or equipment, omissions or ambiguities in contract documentation, inadequate or unsatisfactory level of services provided or errors or delay in shipments or general non-adherence to contract specifications. There can be no assurance that such disputes will not occur in the course of the Group's business and any such disputes or claims may result in delay in payment from the Group's customers or in protracted litigation, both of which may have a negative impact on the Group's working capital position. In the event that the amount involved is substantial and the Group's insurance policies do not adequately cover its liabilities, this may have a material negative impact on the Group's business, financial condition and results of operations.

In addition, the Group, its contractors and sub-contractors have under certain contracts waived or limited their mutual right of claim or recovery against each other in respect of any loss of or damage to its vehicles, property or equipment, economic loss suffered by the Group, injuries to or death of any persons arising out of any act, omission or default on the part of the Group's contractors or sub-contractors. The Group may also enter into similar contracts with its customers waiving or limiting its mutual right of claim or recovery against each other. In such situations, in the event that there is any substantial loss or damage suffered by the Group and the Group is unable to claim or claim in full against its insurers or any third party for such loss or damage, the Group's business, financial condition and results of operations may be adversely affected.

The Group may also be exposed to liabilities for accidents occurring to workers hired by its contractors. First, the contractors may not have provided adequate insurance cover for their workers deployed to its projects and vehicles. Second, the incidents may have arisen from the Group's negligence or error. Third, compensation payable to such workers resulting from any accident may exceed the amount covered by the Group's extended insurance coverage which includes workers of contractors. If the Group is required to pay substantial compensation to such workers, the Group's business, financial condition and results of operations will be adversely affected.

Compliance with environmental requirements may be very costly and the Group may be exposed to liability as a result of handling of hazardous materials

The Group's business involves, *inter alia*, the storage, handling and transportation of hazardous materials. The Group is subject to government and local government environmental protection and safety at work laws and regulations in the countries where the Group operates, including those governing the labelling, use, storage, discharge and disposal of hazardous materials, and the remediation of hazardous substances at currently or formerly owned or operated properties or at third-party waste disposal sites. Licenced sub-contractors are engaged for the waste disposal when required. These laws and regulations require the Group to implement procedures for the handling of hazardous materials and for operating in hazardous conditions, and they impose liability on the Group for the clean-up of any environmental contamination and the remedy of any safety at work violations. Fines are imposed for violations of environmental laws, regulations or decrees and sometimes allow the relevant government or local authority to stop any operation which fails to comply with orders requiring it to cease or cure certain activities causing environmental damage.

The Group has implemented measures to control pollution and hazardous conditions caused by its operations. The Group's properties may from time to time be affected by contamination or other environmental effects which may not have been previously identified and/or rectified, and the Group cannot eliminate the risk of accidental contamination or injury from these materials. If an accidental contamination occurs, or if the Group fails to comply with environmental laws and regulations, the Group would likely incur significant costs associated with civil penalties or criminal fines and in complying with environmental laws and regulations. Although the Group has insurance coverage in respect of liabilities arising from the use and handling of hazardous materials, there can be no assurance that such insurance would be sufficient to meet all potential liabilities. Further, environment laws and regulations are subject to change at any time. There can be no assurance that the Group will not be required to incur substantial costs to comply with current or future environmental and safety regulations.

Changes in environmental requirements, unanticipated significant adverse environmental events or accidents resulting from those hazardous substances may therefore have a material adverse effect on the Group's business, financial condition and results of operations.

The Group operates in highly regulated industries

The Group's operations are subject to international, country, state and/or local rules and regulations and the laws of the other jurisdictions and countries in which the Group operates. These laws, rules and regulations govern various aspects of the Group's business. To operate the Group's facilities, the Group must obtain and maintain numerous permits, licences and approvals from various governmental agencies and/or regulatory bodies. In addition, some of the Group's facilities are subject to periodic inspection by governmental agencies and/or regulatory bodies.

Fire and safety rules and regulations govern the storage, transportation and handling of flammable chemical or hazardous products. In addition to these rules and regulations, various licences and certificates, such as safety certificates for handling flammable chemical or hazardous products, must be obtained from the relevant bodies in the countries in which the Group operates.

In particular, the financial services industry in the PRC is subject to significant government regulation which will require the Group to obtain the relevant regulatory approvals. The Group requires licences, permits, memberships or approvals to operate its Financial Services Business and the Real Estate Business. Any delays in securing the relevant licences, permits, memberships or approvals may result in loss of business over an extended period of time which could have a material adverse effect on the Group's business, financial condition and results of operations. The regulations in the financial industry are also subject to changes which may increase regulatory costs leading to reduced profit margins. Any breach or non-compliance of the relevant regulation can result in heavy penalties, withdrawal or cancellation of regulatory permits or exchange memberships. The Group has established processes which are self-checking in nature and with people dedicated to ensure compliance with all relevant regulatory requirements.

In the event that any of these licences are suspended, the financial performance of the Group's logistics business will be adversely affected. The Group's foreign-owned enterprises in the PRC have to observe the relevant PRC laws, regulations, measures, directives, guidelines and notices applicable to the Group's logistics business and its businesses in the leasing industry and financial leasing business.

The Group is exposed to risks relating to conducting operations in the PRC in respect of its financial leasing business and real estate business

Changes in the socio-political and economic conditions in the PRC, especially a slowdown which affects the target industries in which the Group operates, may have a material adverse effect on the Group's business, financial condition and results of operations.

In the PRC, the supply of land use rights is controlled by government authorities, and the Group's ability to acquire land use rights and their corresponding acquisition costs will be affected by government policies toward supply, development and pricing of land use rights.

In the event that the Issuer's subsidiaries in the PRC are unable to distribute dividends to Vibrant, Vibrant may face cash flow difficulties, which may adversely affect Vibrant's ability to repay its debts and fulfil its payment obligations under the Securities.

PRC law regulates the giving of loans to and direct investments in PRC companies by offshore holding companies. Such regulations may delay or prevent Vibrant from providing loans or capital contributions to its subsidiaries in the PRC, which could materially and adversely affect their liquidity and consequently Vibrant's ability to fund and expand its business.

Additionally, changes to and ambiguities within the PRC laws and regulations may have a negative impact on the Group's operations.

There is a lack of readily available, reliable and updated information on property market conditions in the PRC generally

Currently, reliable and up-to-date information is generally not readily available in the PRC and in the relevant municipal cities and provinces on the amount and nature of property development and investment activities, the demand for such development, the supply of new properties being developed or the availability of land and buildings suitable for development and investment. Consequently, the Group's investment and business decisions may not always be based on accurate, complete and timely information. Inaccurate information may adversely affect the Group's decisions on the property investments, which could materially and adversely affect the Group's business, financial condition and results of operations.

Compliance with such laws and regulations may also increase the Group's costs and any significant increase in such compliance costs may adversely affect the Group's operations and financial position.

The Group is exposed to the economic and real estate market conditions (including increased competition in the real estate market) in the jurisdictions in which it operates

Most of the Group's properties are located in Singapore and the PRC. As a result, the Group's revenue depends on the performance of the economy of such countries, and a decline in the economies of such countries could adversely affect the Group's results of operations and future growth. The performance of the Group may also be adversely affected by a number of local real estate market conditions in the jurisdictions in which it operates, such as the competitiveness of competing properties or an oversupply of properties or reduced demand for properties.

Factors which could adversely affect the Group's cost of ownership of properties include the following:

- construction cost of property;
- cost of borrowing to fund the construction cost;
- change in tax allowance for capital expenditure;
- increase in land rentals or land costs;
- increase in the amount of maintenance;
- increase in property tax assessments and other statutory charges;
- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- change in direct or indirect tax policies;
- increase in sub-contracted service costs;
- increase in labour costs;
- increase in repair and maintenance costs;
- increase in the rate of inflation;
- defects affecting, or environmental pollution in connection with, the Group's properties which need to be rectified;
- increase in costs relating to adjustment of the tenant mix;
- increase in insurance premium;
- increase in cost of utilities; and
- availability and increase in cost of raw materials and equipment.

The Group is subject to country-specific risks in the jurisdictions in which it operates, including political, regulatory and economic risks

The Group will be subject to risks associated with its business activities in the jurisdictions in which it operates. The business, earnings, prospects and value of assets that the Group owns and manages may be materially and adversely affected by a variety of conditions and developments in the jurisdictions in which it operates. Such conditions and developments include:

(i) inflation, interest rates and general economic conditions;

(ii) governmental policies, laws and regulations, particularly those relating to real estate ownership and asset and fund management of real estate, and changes to such policies, laws and regulations and their implementation and interpretation, which could prevent, delay, increase the cost of or otherwise adversely affect the Group's ability to invest in, acquire or divest, operate or manage our investments and our properties;

(iii) price controls which may impact the price at which the Group may acquire or divest its interest in properties, or the rental rate which it is able to charge;

(iv) foreign exchange control restrictions which may affect the convertibility of the relevant foreign currency into Singapore dollars and *vice versa*;

(v) changes in accounting standards, taxation regulations, corporation laws and regulations relating thereto; and

(vi) the ability of the Group's management to deal with multiple and diverse regulatory regimes.

Such conditions, developments and other risks associated with conducting business in multiple jurisdictions, many of which are outside of our control, may have an adverse effect on the Group's business, financial condition and results of operations. The specific risks relating to the conduct of the Real Estate Business in the jurisdictions in which it operates are further described below.

Fluctuations in property prices and performance of the property industry in the markets in which the Group intends to develop properties may affect the Group

As the Group intends to develop properties in markets such as Singapore, Malaysia, Thailand and the PRC, its business is subject to the performance of the property industry in the countries in which the Group operates, where property prices are largely affected by supply and demand of properties. The demand for properties typically follows a cyclical pattern and is generally affected by local and global economic conditions, local market sentiment and expectations, government regulations, competition from other property developers, extent of supply of properties for sales and the availability of financing for the purchase of properties.

Despite the growth of the regional property market in the past, there is no guarantee that such growth will be sustained in the future. A decline in the economy of any of the countries in which the Group operates could adversely affect the Group's results of operations and future growth. For example, should real estate market prices suffer downward pressures, the Group may have to postpone the sale of its property development projects to such date when market conditions improve, thereby incurring holding costs, including interest and maintenance costs. Therefore, the Group's earnings and cash flow may be adversely affected. The Group may also have to sell its property development projects at lower prices, which in turn would adversely affect the Group's sales revenue and profit margin. If the Group cannot respond to changes in market conditions more swiftly or effectively than its competitors, the Group's ability to generate revenue, its business, financial condition and results of operations will be adversely affected.

The gross revenue earned from and the value of, the Group's properties may be adversely affected by a number of factors, including:

- the amount and extent to which the Group is required to grant discounts or rebates to customers;

- defects affecting the Group's properties which could affect the operations of clients resulting in the inability of such customers to make timely payments of charges or at all;
- the customers seeking the protection of bankruptcy laws which could result in delays in the collection of revenue, inability to collect charges, or delays in the termination of the contract, or which could hinder or delay the re-deployment of the space in question or the sale of the relevant property;
- the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for, space and changes in market service rates and operating expenses for the Group's properties);
- vacancies following the expiry or termination of contracts that lead to reduced utilisation rates;
- the ability to collect rent from tenants in a timely manner or at all;
- new contracts being agreed on terms being less favourable than those under current contracts;
- the Group's ability to provide adequate management and maintenance or to purchase or put in place adequate insurance;
- competition for customers/users from other logistics properties;
- revisions in laws and governmental regulations in relation to industrial land and real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to the properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws related to redevelopment; and
- acts of God, wars, terrorist attacks, riots, civil commotions, strikes, widespread communicable diseases, natural disasters and other events beyond the control of the Group.

Failure to obtain, or material delays in obtaining, the requisite governmental approvals for the Group's property developments may adversely affect the Group's business, financial condition and results of operations

The property industry in the countries in which the Group may operate is subject to significant government rules and regulations. In particular, regulatory approvals may be required for, among other things, land and title acquisition or divestment, development planning and design, construction, renovation and asset enhancement, and mortgage financing and refinancing. Such approvals may stipulate, among other things, maximum periods for the commencement of development of land. If the Group fails to obtain the relevant approvals or comply with the applicable laws and regulations, the Group may be subject to penalties, have its licenses and approvals revoked, or lose its right to own, develop or manage its properties, and the Group's business, among other things, any or all of which could have a material and adverse impact on the Group's business, financial condition and results of operations.

In addition, in the countries in which the Group may operate, such as the PRC, Singapore and Malaysia, in order to develop and complete a property development, a property developer may be required to obtain various permits, licenses, certificates and other approvals from the relevant administrative authorities at various stages of the property development process, including but not limited to, land use rights certificates, planning permits, construction permits, pre-sale permits and certificates or confirmation of completion and acceptance. If the Group fails to obtain relevant permits, licences, certificates and approvals for the property development business, any proposed investment may not proceed as scheduled, and the Group's business, financial condition and results of operations may be adversely affected.

The Group is subject to risks relating to the property investment valuations and decline in property values

Property valuations generally include a subjective determination of certain factors relating to the relevant properties, such as their relative market positioning, their financial and competitive strengths and their physical conditions. There can be no assurance that the assumptions relied on are accurate measures of the market. Valuation by professional valuers of the Group's properties is based on certain assumptions that (i) the properties will be completed or developed as currently proposed and (ii) all regulatory and governmental approvals for the proposals will be or have been obtained, and is not intended to be a prediction of, and may not accurately reflect, the actual values of those assets. Further, the inspection of the Group's properties and other work undertaken in connection with a valuation exercise may not identify all material defects, breaches of contracts, laws and regulations, and other deficiencies and factors that could affect the valuation of the properties. Unanticipated changes to the socio-political, economic or regulatory environment may affect the assumptions upon which the valuations are based and adversely affect the valuation of the properties and the returns which the Group can realise from these properties.

The Group's property development projects are dependent on services rendered by sub-contractors

The Group may rely on sub-contractors to provide various services for the property development projects, including piling and foundation works, structural works, architectural works and engineering works. The services rendered by the Group's sub-contractors may not be satisfactory to the Group or meet the Group's requirements for quality. Furthermore, the contractors engaged may experience financial or other difficulties that may affect their ability to carry out the work for which they are contracted to complete, thus delaying the completion of, or failing to complete, the projects and resulting in additional costs or exposures to the risk of liquidated damages to the Group. In the event of any loss or damage which arises from the default of such subcontractors, the Group may have to incur costs to rectify such defects, materially and adversely affecting the Group's business, financial condition and results of operations.

The property development business may be adversely affected by any shortage in the supply of workers or increases in the cost of hiring workers

The construction of property development projects is highly labour intensive, and is therefore vulnerable to any shortage in the supply of, or increases in the costs of workers arising from changes in government policies. In the event of any disruption to the supply of workers, or if costs cannot be controlled, the overall construction costs may increase and the Group's business, financial condition and results of operations may be materially and adversely affected.

The Group may be involved in legal and other proceedings arising from its operations from time to time

The Group may be involved from time to time in disputes with various parties involved in the development and lease of its properties such as contractors, sub-contractors, suppliers, construction companies, purchasers and tenants. These disputes may lead to legal or other proceedings, and may cause the Group to incur additional costs and delays. In addition, the Group may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable orders, directives or decrees that result in financial losses and delay the construction or completion of its projects.

The Group may be affected by the illiquidity of real estate assets

Real estate assets are relatively illiquid in nature. Such illiquidity will affect the Group's ability to realise cash from unsold units at short notice or, in the event of an urgent sale, result in a significant reduction in the selling price of these assets. Under such circumstances, the divestment, realisation or return of capital or investment in respect of the Real Estate Business may be adversely affected. This in turn could have an adverse effect on the Group's business, financial condition and results of operations.

The Group may be unable to generate adequate return on or impairment arising from a fall in value of the Group's investment properties

Property investment (where the Group engages in renting out some of its properties) is subject to varying degrees of risk. The returns available from any real estate depend to a large degree on the amount of capital appreciation generated, income earned from the rental of the relevant properties as well as the expenses incurred. The Group's financial position may also be adversely affected by a fall in value of any such property investments. The sales derived from and the values of such property investments may be adversely affected by a number of factors, including but not limited to changes in market condition and rental rates, the ability to collect rent due to bankruptcy or insolvency of tenants or otherwise and the need to periodically repair and re-let space and the costs thereof. In the event that the property investment aspect of the Group's business expands and the Group is not able to generate adequate returns, the Group's business, financial condition and results of operations may be adversely affected.

The Group may suffer material losses in excess of insurance proceeds in relation to its properties and its potential liabilities to third parties

The Group's properties face the risk of suffering physical damage caused by fire, natural disaster or other causes, as well as potential public liability claims, including claims arising from the operation of its properties.

In addition, certain types of risks (such as war risk, terrorist acts and losses caused by the outbreak of contagious diseases, contamination or other environmental breaches) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Currently, the Group's insurance policies for its properties do not cover acts of war, outbreak of contagious diseases, contamination or other environmental breaches.

Should an uninsured loss or a loss in excess of insured limits occur, the Group could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue from that property. The Group may also be liable for any debt or other financial obligation related to that property. No assurance can be given that uninsured losses or material losses in excess of insurance proceeds will not occur.

In addition, should the Group fail to put in place or maintain adequate insurance in relation to the relevant properties and its potential liabilities to third parties, the Group may be exposed to various liabilities and losses to the extent that such assets and liabilities are not adequately insured.

Renovation or redevelopment works or physical damage to the Group's properties may disrupt the operations of its properties and collection of rental income or otherwise result in an adverse impact on the business, financial condition and results of operations of the Group

The quality and design of the Group's properties have a direct influence over the demand for space in, and the rental rates of, its properties. One of the Group's strategies is to look out for opportunities to tap on the intrinsic value of its properties by assessing its redevelopment potential. The Group's properties may need to undergo renovation or redevelopment works from time to time to retain their competitiveness and may also require unforeseen *ad hoc* maintenance or repairs in respect of faults or problems that may develop over structural defects or other parts of buildings or because of new planning laws or regulations. The costs of maintaining the Group's properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the buildings age. The business and operations of the Group's properties may suffer some disruption and it may not be possible to collect the full rate of, or, as the case may be, any rental income on space affected by such renovation or redevelopment works. The physical damage to the Group's properties resulting from fire or other causes may lead to a significant disruption to the business and operation of the properties and, together with the foregoing, may result in an adverse impact on the business, financial condition and results of operations of the Group.

The Group's properties may face increased competition from other properties

The Group's properties are located in areas that have other competing properties and new properties may be developed which may compete with the Group's properties.

The Group holds its properties on leases from JTC and these leases contain certain provisions that may have an adverse effect on the business, financial condition and results of operations of the Group

The Group holds its properties pursuant to separate leases from JTC, each of which contains a clause that requires Vibrant to surrender free of cost to the Singapore government portions of the respective properties that may be required in the future for certain public uses, such as roads, drainage and other public improvements. There have been previous instances in which lessees of land from JTC have been required to surrender portions of their land to the Singapore government for roads, without compensation, pursuant to similar provisions in the relevant land leases. If the Group is required to surrender a portion of one of its properties, or similar properties to be acquired where the Group is the lessee of land from JTC, to the Singapore government, it may have an adverse impact on the gross revenue and the value of the property portfolio of Vibrant.

JTC's lessees are subject to terms and conditions ordinarily found in building agreements or agreements for lease entered into or leases granted by JTC, such as provisions requiring the lessee:

- to pay a monthly or yearly rent to JTC;
- not to use or permit the property to be used otherwise than for such purposes as approved by JTC; and
- not to demise, assign, mortgage, let, sublet or underlet or grant a licence or part with or share the possession or occupation of the whole or part of the property without first obtaining JTC's prior written consent.

The Group may not be able to identify and acquire land and/or property at commercially acceptable prices

The Real Estate Business is highly competitive, with strong competition from established industry participants who may have greater experience and/or financial resources to provide more affordable services or respond more quickly to market trends than the Group. There is no assurance that the Group will be able to identify and acquire attractive sites and/or property in the future at commercially acceptable prices, or at all.

The Group's operations are susceptible to macro-economic conditions and the policies of the governments of the countries in which the Group operates

While most of the Group's properties are located in Singapore, the Group may continue to acquire properties located outside Singapore in the future. In such event, the Group's business, financial condition and results of operations will be affected by the general state of the economy in such countries and their political environments. The value of such properties may be adversely affected by an economic slowdown in such countries, including any slowdown of GDP growth, changes in interest rates, political upheavals, insurgency movements, riots, local laws and external tensions with neighbouring countries, as well as the policies of the governments of such countries.

For example, as real estate prices in Singapore have risen in recent years, the government has implemented economic policies in an effort to curb excessive price increases and discourage real estate speculation in Singapore. Since February 2010, the Singapore government has announced multiple rounds of measures aimed at cooling demand in the residential property market. Such measures included introducing and increasing stamp duties payable by buyers and sellers for dispositions of properties, increasing minimum cash payments required of buyers and lowering the loan-to-value limits for housing loans.

The Singapore government may introduce further measures and may continue to adjust interest rates, tax rates and other economic policies or impose other regulations or restrictions that may have an adverse effect on the property market in Singapore. Any such policy changes may adversely affect the Group's business, financial condition and results of operations. Similarly, where the governments of the other countries in which the Group operates have also implemented or introduced similar property cooling measures, the continuation of such existing measures or the introduction of additional measures may have an impact on the Group's business, financial condition and results of operations.

The Group's properties or any part of them may be acquired compulsorily

The Land Acquisition Act, Chapter 152 of Singapore gives the Singapore government the power to acquire any land in Singapore:

(i) for any public purpose;

(ii) for any work or an undertaking which is of public benefit or of public utility or in public interest; or

(iii) for any residential, commercial or industrial purposes.

In such event, compensation to be awarded would be:

(A) the market value of the property as at the date of the publication in the Government Gazette of the notification of the likely acquisition of the land (provided that within six months from the date of publication, a declaration of intention to acquire is made by publication in the Government Gazette); or

(B) the market value of the property as at the date of publication in the Government Gazette of the declaration of intention to acquire.

In such event, the market value of a property (or part thereof) which is acquired by the Singapore government may be less than the price which the Group paid for the property.

RISKS RELATING TO BLACKGOLD INTERNATIONAL HOLDINGS

The business operations of BIH and its subsidiaries are extensively impacted by regulations, policies and controls imposed by the PRC government

The business operations of BIH and its subsidiaries (the "**BIH Group**") are extensively impacted by the regulations, policies and controls of the PRC government. Any change in regulation, policy or control by the PRC government may cause the BIH Group to incur significant compliance costs.

BIH, like other coal producers in the PRC, is subject to extensive national and local governmental regulations, policies and controls. The liabilities, costs, obligations and requirements associated with these laws and regulations may be significant and may delay the commencement of, or cause interruptions in, its operations. Failure to comply with the applicable mining laws and regulations may even result in the suspension of its operations and thus materially and adversely affect its business and results of operations. Additionally, there can be no assurance that the relevant government agencies will not modify such laws or regulations or impose additional or more stringent laws or regulations on BIH. Compliance with such laws or regulations may require the BIH Group to incur significant costs or other obligations or liabilities.

The BIH Group's coal production volume is subject to regulations

Coal production volume is subject to regulations by the relevant PRC government authorities and could be limited and/or capped as a result of policies to reduce carbon emissions and curb coal consumption. The National Development and Reform Commission (NDRC) announced that coal domestic production and consumption will be capped to reduce carbon emissions. If the production volume of its coal products is capped for a prolonged period of time due to regulatory control, the BIH Group's business, financial condition and results of operations would be materially and adversely affected.

The BIH Group's business operations are subject to mining safety regulations and permits

The State Administration of Coal Mine Safety of the PRC (SACMS) is responsible for implementing and supervising the implementation of the relevant safety laws and regulations applicable to coal mines and coal mining operations, as well as conducting regular safety supervision and inspections of coal producers pursuant to the applicable production safety and mining safety laws and regulations. Coal producers that fail to comply with the relevant safety laws and regulations are subject to fines, penalties or even suspension of operations. In addition, each coal operating enterprise is required to obtain a production safety permit from the SACMS or the relevant provincial bureau. The production safety permit is valid for an initial period of three years, after which they could be renewed.

There is no assurance that the BIH Group will be successful in procuring or renewing the necessary production safety permits or complying with the relevant safety laws and regulations. Any failure to do so could have material and adverse effects on its corporate image, the reputation and credibility of its management, its financial condition and results of operations. Any remedial measures the BIH Group is required to adopt may be costly and would adversely affect its financial condition.

The BIH Group is susceptible to restrictions on coal exploration, mining and production rights

The exploration, mining and production of coal reserves in the PRC are subject to registration with, and the approval of, the relevant PRC government authorities. The relevant PRC government authorities can at any time either tighten or relax restrictions on coal exploration, mining and production rights. There is no assurance that the BIH Group will be successful in procuring or renewing the necessary exploration permits, that any initial exploration work will reveal a deposit worthy of development, or that the BIH Group will be successful in procuring or renewing the necessary mining permits. Any failure to procure or renew exploration, mining permits could have a material adverse effect on its business and results of operations.

The BIH Group is subject to environmental protection policies

The BIH Group is subject to extensive and increasingly stringent environmental protection laws and regulations that impose fees for the discharge of waste substances, require the establishment of reserves for land rehabilitation, and impose fines for serious environmental offences. The PRC government, adopting a rigorous approach when enforcing the applicable laws and regulations and implementing increasingly stringent environmental standards, may shut down any facility that fails to comply with its orders and require it to correct or cease operations that raise environmental concerns. If the BIH Group fails to comply with existing or future environmental laws and regulations, it may be required to pay penalties or fines or take remedial actions, any of which could have a material adverse effect on its business, operations, financial condition and results of operations.

The BIH Group is vulnerable to fluctuations in coal markets and coal prices

The BIH Group's business, profitability and results of operations are susceptible to the cyclical nature of coal markets and are vulnerable to fluctuations in coal prices.

As the majority of its revenue is derived from sales of coal, its business, profitability and results of operations are substantially dependent on the domestic and international supply of, and demand for, coal. The domestic and international coal markets are cyclical and have in the past experienced significant fluctuations in supply, demand and prices from year to year. These fluctuations are caused by numerous factors beyond its control, including, among others: (i) global and domestic economic conditions and competition from other energy sources; (ii) global and domestic supply of thermal coal; (iii) the growth rate and expansion in industries with high demand for coal, such as the power and steel industries; and (iv) the indirect influence on domestic coal prices of the PRC government through its regulation of on-grid tariffs.

There can also be no assurance that the domestic or international markets for coal products will not experience excess supply or that the domestic or international demand for coal products will continue to grow. An oversupply of, or significant decline in demand for, coal products may have a material adverse effect on the BIH Group's business, profitability and results of operations.

The BIH Group's operations are exposed to risks relating to production safety and operating hazards

The BIH Group's coal mining operations are exposed to inherent risks relating to production safety and operating hazards.

The BIH Group's coal mining operations are subject to a number of operational risks, some of which are beyond its control, which could delay the production and delivery of coal. These risks include unexpected maintenance or technical problems, inclement or hazardous weather conditions and natural disasters, industrial accidents, power or fuel supply interruptions and critical equipment failure, including malfunction and breakdown of principal equipment used in its coal mining operations and which would require considerable time to replace.

In addition, mining accidents or safety hazards occurring at neighbouring mines operated by third-party mine operators could have a severe impact on its coal mining operations and even create safety hazards in its mines. The occurrence of any accident at these neighbouring mines could interfere with and materially and adversely affect its business.

These risks and hazards may result in personal injury, damage to, or destruction of, properties or production facilities, environmental damage, delay in production and delivery of its coal products and damage to its reputation. In addition, breakdown of equipment, difficulties or delays in obtaining replacement equipment, natural disasters, industrial accidents or other misfortunes could temporarily disrupt its operations, which in turn may also materially and adversely affect its business, financial condition, results of operations and growth prospects.

The BIH Group may produce less coal than its current estimates

The BIH Group's coal resources and reserves are estimates based on a number of assumptions and it may produce less coal than its current estimates.

The BIH Group bases its production, revenue and expenditure plans on its coal resource and reserve data. The coal reserve data are estimates based on assumptions, knowledge, experience and industry practice which have been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and have been reviewed and verified by Al Maynard & Associates Pty Ltd. The coal resource and reserve data and production targets are only estimates and may differ materially from its actual mining results. Estimates which were valid when made may change significantly when new information becomes available. There are many factors, assumptions and variables beyond its control that result in inherent uncertainties in estimating resources and reserves. The BIH Group's actual volume of reserves and rates of production may be different from these estimates due to various factors, including those outside its control. In addition, fluctuations in the price of coal, production costs and transportation costs of coal or a variation in recovery rates may render it necessary to revise the estimates of coal reserves. If such revision results in a substantial reduction in recoverable resources and reserves at one or more of its mines, it could materially and adversely affect its financial condition, results of operations and growth prospects.

If the actual amount of coal produced at the BIH Group's mines is reduced significantly from its estimates, then the BIH Group's financial condition, results of operations and growth prospects may be materially and adversely affected.

The BIH Group's operations are subject to uninsurable risks

Mining operations involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, and political and social instability. These events may lead to industrial accidents, injury or death of employees, the damage or destruction of plant and equipment, damage to geological and mine structures, and other circumstances which may have a material adverse effect on the operational and financial performance of the BIH Group. It is not always possible to obtain insurance against all such risks and the BIH Group may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to BIH or to other companies in the mining industry on acceptable terms.

Insurance against all risks associated with coal mining may not always be available or affordable. Further, the BIH Group does not currently maintain any fire and theft insurance, key personnel insurance or third party liability insurance. These types of insurance are not commonly taken out in the PRC.

Although insurance is maintained within ranges of coverage consistent with industry practice, there is no assurance that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims. Any occurrence of uninsured losses or liabilities may have a material adverse effect on the BIH Group's business, financial results and operations.

The acquisition of the BIH Group comes with risks and this could have a material adverse effect on our business, results of operations and financial condition

There is no assurance that the BIH Group will be successfully integrated into our business, that existing customer relationship and revenue levels will be maintained or that synergies and strategic objectives will be achieved. For example, we may be required to carry out restructuring of operations, transformation processes with regard to operations and other cost related measures in connection with any integration efforts and such efforts may not achieve the results intended and/or may incur costs and charges to us in excess of original estimates and/or result in talent flight and corporate culture misfit. Failure to achieve the strategic objectives or other synergistic benefits in the acquisition and integration of the BIH Group and/or an increase in the integration costs may have an adverse impact on the business, prospects, results of operations and financial condition of the Group.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds arising from the issue of the Securities under the Programme (after deducting issue expenses) will be used for general corporate purposes, including refinancing of borrowings, and financing investments and general working capital of the Issuer or its subsidiaries.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Securities which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Securities that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Securities which are accepted for clearance by CDP, the entire issue of the Securities is to be held by CDP in the form of a Global Security or Global Certificate for persons holding the Securities in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Securities between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Securities through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the SFA to maintain securities sub-accounts and to hold the Securities in such securities sub-accounts for themselves and their clients. Accordingly, Securities for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Securities in direct securities accounts with CDP, and who wish to trade Securities through the Depository System, must transfer the Securities to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and distribution and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Securities in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Payments of principal, interest or distribution with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the relevant Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Securities or of any person acquiring, selling or otherwise dealing with the Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger and any other persons involved in the Programme accept responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Securities.

In addition, the disclosure below is on the assumption that the IRAS regards each tranche of the Perpetual Securities as "debt securities" for the purposes of the ITA and that distribution payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the Qualifying Debt Securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA or distribution payments made under each tranche of the Perpetual Securities are not regarded as interest payable on indebtedness and holders thereof are not eligible for the tax concessions under the Qualifying Debt Securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0% final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0%. The applicable rate for non-resident individuals is currently 22.0%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0%. The rate of 15.0% may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

The terms "**prepayment fee**", "**redemption premium**" and "**break cost**" are defined in the ITA as follows:

> "prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;
>
> "redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and
>
> "break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

In addition, as the Programme as a whole was arranged by DBS Bank Ltd., which was a Financial Sector Incentive (Bond Market) Company (as defined in the ITA) at such time, any tranche of the Securities (the "**Relevant Securities**") issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2018 would be, qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require to the MAS, and the inclusion by the Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Specified Income**") from the Relevant Securities derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require to the MAS), Specified Income from the Relevant Securities derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing to the MAS of a return on debt securities for the Relevant Securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require,

payments of Specified Income derived from the Relevant Securities are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities of such tranche are issued to fewer than four persons and 50.0% or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Securities would not qualify as QDS; and

(B) even though a particular tranche of Relevant Securities are QDS, if, at any time during the tenure of such tranche of Relevant Securities, 50.0% or more of the issue of such Relevant Securities which are outstanding at any time during the life of their issue is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Specified Income derived from such Relevant Securities held by:-

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) is derived from the Relevant Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) derived from the Relevant Securities is not exempt from tax is required to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme ("**QDS Plus Scheme**"), subject to certain conditions having been fulfilled (including the submission of a return on debt securities in respect of the QDS in the prescribed format within such period as the MAS may specify and such other particulars in connection with the QDS as the MAS may require to the MAS), income tax exemption is granted on Specified Income derived by any investor from QDS (excluding Singapore Government Securities) which:

(a) are issued during the period from 16 February 2008 to 31 December 2018;

(b) have an original maturity of not less than 10 years;

(c) cannot have their tenure shortened to less than 10 years from the date of their issue, except where -

  (i) the shortening of the tenure is a result of any early termination pursuant to certain specified early termination clauses which the Issuer included in any offering document for such qualifying debt securities; and

  (ii) the qualifying debt securities do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the qualifying debt securities at the time of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Securities are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Securities, 50.0% or more of the issue of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Specified Income from such Relevant Securities derived by:

(aa) any related party of the Issuer; or

(bb) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Securities who apply or who are required to apply Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement ("**FRS 39**") may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Securities, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 Treatment for Singapore Income Tax Purposes".

3. Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The IRAS has issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 - Financial Instruments: Recognition and Measurement" (the "**FRS 39 Circular**"). The ITA has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

The Accounting Standards Council has issued a new financial reporting standard for financial instruments, FRS 109 – Financial Instruments, which will become mandatorily effective for annual periods beginning on or after 1 January 2018. It is at present unclear whether, and to what extent, the replacement of FRS 39 by FRS 109 will affect the tax treatment of financial instruments which currently follows FRS 39.

Holders of the Securities who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Securities.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Securities to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Issuer and the relevant Dealer(s). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe or procure subscribers for Securities from the Issuer pursuant to the Programme Agreement.

The Arranger, the Dealers or any of their respective affiliates may have performed certain banking and advisory services for the Issuer and/or its affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer and/or its affiliates in the ordinary course of the Issuer's or their business. The Issuer may from time to time agree with the relevant Dealer(s) that the Issuer may pay certain third parties commissions (including, without limitation, rebates to private banks as specified in the applicable Pricing Supplement).

The Dealers or certain of their respective affiliates may purchase the Securities and be allocated the Securities for asset management and/or proprietary purposes but not with a view to distribution.

In connection with each tranche of Securities issued under the Programme, the Dealers or certain of their affiliates may purchase Securities and be allocated Securities for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers and/or their respective affiliates may place orders, receive allocations and purchase Securities for their own account (without a view to distributing such Securities) and such orders and/or allocations of the Securities may be material. Such entities may hold or sell such Securities or purchase further Securities for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Securities or other securities otherwise than in connection with the offering. Accordingly, references herein to the Securities being "offered" should be read as including any offering of the Securities to the Dealers and/or their respective affiliates for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so.

United States

The Securities have not been and will not be registered under the Securities Act, and the Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

Bearer Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or, in the case of Bearer Securities, deliver the Securities, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable Tranche of which such Securities are a part, as determined and certified to the Issuing and Paying Agent by such Dealer (or, in the case of an identifiable Tranche of Securities sold to or through more than one Dealer, by each of such Dealers with respect to Securities of an identifiable Tranche purchased by or through it, in which case the Issuing and Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S under the Securities Act.

The Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Securities, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering of such Tranche of Securities) may violate the registration requirements of the Securities Act.

Hong Kong

In relation to each tranche of Securities issued by the Issuer, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Singapore

Each Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

General

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Securities or any interest therein or rights in respect thereof or has in its possession or distributes, any other document or any Pricing Supplement.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Securities or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional advisers and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. The interests of the Directors and the substantial shareholders of the Issuer in the Shares as at the Latest Practicable Date are as follows:

Directors

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Khua Hock Su	-	-	321,685,273	47.995
Eric Khua Kian Keong	17,832,648	2.661	321,678,562	47.994
Henry Chua Tiong Hock	962,545	0.144	-	-
Thomas Woo Sai Meng	74,688	0.011	-	-

Substantial Shareholders

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Vibrant Capital Pte. Ltd.	321,678,562	47.994	-	-
Eric Khua Kian Keong	17,832,648	2.661	321,678,562	47.994
Lian Hup Holdings Pte Ltd	-	-	321,678,562	47.994
Khua Hock Su	-	-	321,685,273	47.995
Vincent Khua Kian Ann	-	-	321,678,562	47.994
Khua Kian Hua	-	-	321,678,562	47.994
Teo Kee Bock	70,000,000	10.444	-	-

Notes:

1) Mr Eric Khua Kian Keong is deemed to be interested in 321,678,562 Shares held by Vibrant Capital Pte. Ltd. ("**Vibrant Capital**") by virtue of his controlling interest in Vibrant Capital.

2) Lian Hup Holdings Pte. Ltd. ("**Lian Hup**") is deemed to be interested in 321,678,562 Shares held by Vibrant Capital by virtue of its shareholding interest in Vibrant Capital.

3) Mr Khua Hock Su is deemed to be interested in a total of 321,685,273 Shares, of which 321,678,562 Shares are held by Vibrant Capital by virtue of his shareholding interests in Lian Hup and 6,711 Shares are held directly by his wife, Madam Lee Siew Geok.

4) Messrs Vincent Khua Kian Ann and Khua Kian Hua are deemed to be interested in 321,678,562 Shares held by Vibrant Capital by virtue of their respective shareholding interests in Lian Hup.

SHARE CAPITAL

2. As at the date of this Information Memorandum, there is only one class of ordinary shares in the Issuer. The rights and privileges attached to the Shares are stated in the Articles of Association of the Issuer.

3. The issued share capital of the Issuer as at the Latest Practicable Date is as follows:

Share Designation	Issued Share Capital	
	Number of Shares	Amount
Ordinary Shares	675,429,955	S$166,454,051

BORROWINGS

4. Save as disclosed in Appendix III, the Group had as at 30 April 2017 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

5. The Directors are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Securities, the Issuer will have adequate working capital for their present requirements.

CHANGES IN ACCOUNTING POLICIES

6. There has been no significant change in the accounting policies of the Issuer since its audited financial accounts for the financial year ended 30 April 2017.

LITIGATION

7. There are no legal or arbitration proceedings pending or threatened against the Issuer or any of its subsidiaries the outcome of which may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuer or the Group.

MATERIAL ADVERSE CHANGE

8. There has been no material adverse change in the financial condition or business of the Issuer or the Group since 30 April 2017.

CONSENT

9. KPMG LLP has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

10. Copies of the following documents may be inspected at the registered office of the Issuer at 51 Penjuru Road, #04-00, Singapore 609143 during normal business hours for a period of six months from the date of this Information Memorandum:

    (a) the Constitution of the Issuer;

    (b) the Trust Deed; and

(c) the audited financial statements of the Issuer and its subsidiaries for the financial year ended 30 April 2016 and 30 April 2017.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

11. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

AUDITED FINANCIAL STATEMENTS OF VIBRANT GROUP LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2016

The information in this Appendix II has been reproduced from the annual report of Vibrant and its subsidiaries for the financial year ended 30 April 2016 and has not been specifically prepared for inclusion in this Information Memorandum.

INDEPENDENT AUDITORS' REPORT

Members of the Company
Vibrant Group Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Vibrant Group Limited (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 30 April 2016, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 43 to 130.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
2 August 2016

STATEMENTS OF FINANCIAL POSITION

As at 30 April 2016

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

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

CONSOLIDATED INCOME STATEMENT

Year ended 30 April 2016

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

* restated as explained in note 27.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 April 2016

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 30 April 2016

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

Year ended 30 April 2016

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

Year ended 30 April 2016

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 April 2016

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

Year ended 30 April 2016

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

Significant non-cash transactions

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2016

These notes form an integral part of the financial statements.

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

1 DOMICILE AND ACTIVITIES

Vibrant Group Limited (the Company) is a company incorporated in Singapore. The address of the Company's registered office is 51 Penjuru Road #04-00 Freight Links Express Logisticentre, Singapore 609143.

The financial statements of the Group as at and for the year ended 30 April 2016 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interest in associates.

The principal activities of the Group are those relating to freight forwarding, chemical logistics, warehousing and logistics, leasing of industrial buildings, investment holding, real estate fund and property management services, fund management, financial leasing services, property development and property investment.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is discussed in note 38.

Measurement of fair values

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

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

Significant valuation issues are reported to the Audit Committee.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

2 BASIS OF PREPARATION (cont'd)

2.4 Use of estimates and judgements (cont'd)

Measurement of fair values (cont'd)

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

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

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

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

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

2.5 Changes in accounting policies

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

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combinations* at the date of acquisition, which is the date on which control is transferred to the Group.

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

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Basis of consolidation (cont'd)

Business combinations (cont'd)

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

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

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as available-for-sale financial asset depending on the level of influence retained.

Investments in associates (equity-accounted investees)

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

Investments in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interest that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary. Any difference between the adjustment to non-controlling interests and the fair value of consideration paid is recognised directly in equity and presented as part of equity attributable to owners of the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Basis of consolidation (cont'd)

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries and associates in the separate financial statements

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

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for the retranslation of available-for-sale equity instruments which is recognised in other comprehensive income (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss).

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at the average exchange rates for the year. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 May 2005 are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date. For acquisitions prior to 1 May 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes off only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments

Non-derivative financial assets

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

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

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

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

Financial assets at fair value through profit or loss

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

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

Financial assets designated at fair value through profit or loss comprise equity and debt securities that otherwise would have been classified as available-for-sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables excluding prepayments and advances, and construction-in-progress.

Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

Available-for-sale financial assets

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

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

Available-for-sale financial assets comprise equity securities.

Non-derivative financial liabilities

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

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

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

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, notes payable and trade and other payables.

Share capital and perpetual securities

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Perpetual securities

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

Compound financial instruments

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

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

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

Derivative financial instruments, including hedge accounting

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

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised immediately in profit or loss.

3.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Property, plant and equipment (cont'd)

Subsequent costs

The cost of replacing component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Construction work-in-progress and freehold land are not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Leasehold properties	10 to 60 years, or lease term if shorter
Motor vehicles, trucks and prime movers	5 to 15 years
Office equipment and machinery	5 to 30 years
Furniture, fixtures and fittings	3 to 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate. In 2015, the Group revised the useful lives of certain property, plant and equipment, whose financial effects are disclosed in note 4.

3.5 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and represents the excess of:

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

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates.

Customer list

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties under development are properties being constructed or developed for future use as investment properties. Investment properties and investment properties under development are initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

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

When the use of a property changes such that it is reclassified as property, plant and equipment or development properties, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Property that is being constructed for future use as investment property is accounted for at fair value.

3.7 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

3.8 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance cost and the reduction of the outstanding liability. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3.9 Development properties and construction-in-progress

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

Unsold property

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 Development properties and construction-in-progress (cont'd)

Fulfilment costs

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

Subsequent measurement

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

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

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

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

Construction-in-progress

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

Subsequent measurement

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

3.10 Inventories

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

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

3.11 Impairment

Non-derivative financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11 Impairment (cont'd)

Non-derivative financial assets (cont'd)

Loans and receivables

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

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

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

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

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

Associates

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

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories, unsold property (without a sales contract) and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11 Impairment (cont'd)

Non-financial assets (cont'd)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3.12 Non-current assets held for sale or distribution

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.13 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Long-term employee benefits

The Group's net obligation in respect of the other employee benefits other than pension plans is the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any gains and losses are recognised in profit or loss in the period in which they arise.

3.14 Provisions

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

3.15 Revenue recognition

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

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

Freight and logistics segment

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

Freight services

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15 Revenue recognition (cont'd)

Freight and logistics segment (cont'd)

Logistics services

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

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

Warehousing services

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

Transportation services

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

Inventory management services

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

Record management services

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

Financial services segment

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

Management services

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

Base fees

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

Performance fees

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15 Revenue recognition (cont'd)

Financial services segment (cont'd)

Fee income

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

Dividend income

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

Interest income

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

Real estate segment

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

Sale of development properties and construction services

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

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

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

Revenue is recognised at the price agreed under the contract.

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

Property management services

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

Rental income

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.16 Government grants

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

3.17 Finance income and finance costs

Finance income comprises interest income on funds invested (including financial assets at fair value through profit or loss). Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and unwinding of the discount on provisions.

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

3.18 Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that it is probable that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.18 Tax (cont'd)

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.19 Dividends

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

3.20 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.21 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group Chief Executive Officer (Group CEO) (the chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

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

3.22 Financial guarantee contracts

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

3.23 Fair value measurement

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.23 Fair value measurement (cont'd)

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

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

3.24 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 May 2016, and have not been applied in preparing these financial statements. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Company.

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

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

- FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise a right-of-use (ROU) asset and a lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value. FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

4 PROPERTY, PLANT AND EQUIPMENT

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

4 PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

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

	Group 2016 $'000	2015 $'000
Charged to profit or loss	10,721	10,025
Capitalised to development properties	6	11
	10,727	10,036

Construction work-in-progress

Cost of construction work-in-progress comprised:

	Group 2016 $'000	2015 $'000
Development costs	10	13,759
Leasehold land rental	–	308
Property taxes, interest and other overheads	–	1,189
	10	15,256

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

4 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Assets under finance leases

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

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

Security

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

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

Change in estimates

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

5 INTANGIBLE ASSETS

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

Impairment assessment for cash-generation units containing goodwill

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

The recoverable amount of the financial services segment was determined based on its value in use. The value in use was calculated by discounting the future cash flows to be generated from the continuing use of the CGU.

The value in use was based on discounted cash flow projections over a period of 5 years using the actual results for 2016 as the baseline year (2015: 2015). Growth in sales of 3% (2015: 3%) was assumed for each of the 5 years (2015: 5 years) and no terminal growth rate was considered.

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

The values assigned to the key assumptions represent management's assessment of future trends in the respective industries and are based on both external sources and internal sources (historical data).

6 INVESTMENT PROPERTIES

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

6 INVESTMENT PROPERTIES (cont'd)

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

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

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

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

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

Security

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

Fair value hierarchy

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

7 SUBSIDIARIES

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

7 SUBSIDIARIES (cont'd)

Details of material subsidiaries of the Group are as follows:

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

8 ASSOCIATES

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

Convertible loans to an associate

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

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

[(1)] Audited by Goh Ngiap Suan & Co

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

(b) The convertible loans to an associate which are denominated in Chinese renminbi, are secured over the shares and assets of the associate.

(c) The convertible loans bear a contractual interest rate of 8% (2015: 8%) per annum. The effective interest rate is 8% (2015: 8%) per annum.

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

Redeemable cumulative convertible preference shares (RCCPS) in an associate

(a) Details of the associate are as follows:

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

[(1)] Audited by Goh Ngiap Suan & Co

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

8 ASSOCIATES (cont'd)

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

(b) Terms and conditions of the RCCPS:

(i) Each RCCPS shall confer on the holder the right to be paid in priority to any other distributions in respect of any other classes of shares, preference dividends on a cumulative basis, of an amount equal to 7% (2015: 7%) per annum of the issue price payable on each RCCPS in each year the RCCPS are in issue;

(ii) In the event of liquidation of GSD, the holder has priority in the repayment of capital together with any arrears of any declared but unpaid dividend on a cumulative basis. In addition, the holder is entitled to participate in the distribution of the surplus assets on liquidation of GSD equally with the holders of ordinary shares;

(iii) Each RCCPS is convertible at the sole discretion of the holder into 1 ordinary share in the capital of GSD. The holder has the right to convert the RCCPS any time after (a) receipt by GSD of Eligibility-to-List letter from an exchange or (b) 3 November 2006, if GSD is not listed on an exchange by 3 November 2006. As at the reporting date, the Group has yet to exercise its rights to convert the RCCPS and retains its rights to do so;

(iv) The RCCPS are secured over the shares of GSD; and

(v) Upon conversion, the Group would hold 39.04% of the issued share capital of GSD.

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

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

Investment in associates (equity-accounted investees)

Summarised financial information of associates

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

8 ASSOCIATES (cont'd)

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

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

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

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

(a) The Group shall be eligible to redeem the preferred shares at the initial investment price plus 18% interest per annum of the consideration on 1 February 2012 or occurrence of significant events described in the Agreements. The option period has been extended from 1 February 2012 to 1 February 2017.

(b) The major shareholder of China SW warrants to pay to the Group an additional interest of 7.5% per annum of the consideration in the event that the Group does not redeem the preferred shares.

(c) Rights/preferences of convertible preferred shares:

(i) Each preferred share is entitled to receive share dividends as and when declared. Each preferred share is not entitled to any preferential right of participation in the profits of China SW.

(ii) Upon a return of capital on liquidation, winding-up or dissolution, the assets and funds of China SW shall be applied first to the holders of the preferred shares at the subscription price at which they were first allotted together with all accrued or declared but unpaid dividends thereon.

(iii) The holder of preferred shares shall have the same voting rights as ordinary shareholders.

(d) Each preferred share is convertible at the sole discretion of the Group into 1 ordinary share in the capital of China SW. The Group has served a notice to exercise its rights to redeem the preferred shares, which remains in the notice period as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

8 ASSOCIATES (cont'd)

Investment in associates (cont'd)

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

8 ASSOCIATES (cont'd)

Investment in associates (cont'd)

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

9 OTHER INVESTMENTS

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

(a) In December 2014, the Group entered into an agreement with Blackgold International Holdings Limited (Blackgold) in respect of a convertible bond. Terms and conditions of the agreement are as follows:

(i) The Group shall subscribe to Tranche 1 of the convertible bond with face value of $15,000,000. In return, the Group shall have the right to nominate a company listed on the Singapore Stock Exchange to acquire Blackgold Holdings HongKong Limited (Blackgold HongKong) from Blackgold (the Reverse Take Over or RTO).

(ii) The Group shall subscribe to Tranche 2 of the convertible bond with face value of $3,750,000.

(iii) Upon the completion of the RTO by no later than 18 May 2016:

- the Group shall subscribe to Tranche 3 of the convertible bond with face value of $6,250,000;
- Blackgold shall redeem all 3 Tranches of the convertible bond in full for cash; and
- the Group shall receive 25% of the shares issued by the listed company to Blackgold for the acquisition of Blackgold HongKong (the Purchase Consideration in shares).

(iv) In the event of non-completion of the RTO by 18 May 2016, Tranches 1 and 2 of the convertible bond shall be converted into shares of Blackgold. Subsequent to the year end, on 18 May 2016, the Group extended the Completion End Date and the Right to Nominate End Date of the Convertible Bond Agreement to 18 May 2017.

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

(vi) In 2015, the Group subscribed to Tranches 1 and 2 of the convertible bond and exercised its right to nominate a listed company to acquire Blackgold HongKong from Blackgold.

9 OTHER INVESTMENTS (cont'd)

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

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

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

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

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

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

10 DEFERRED TAX

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

10 DEFERRED TAX (cont'd)

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

	Company	
	2016 $'000	2015 $'000
Deferred tax liabilities		
Other items	–	4

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

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Deferred tax assets	2,551	651	–	–
Deferred tax liabilities	(6,328)	(2,136)	–	(4)
	(3,777)	(1,485)	–	(4)

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

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

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

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

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items in accordance with the accounting policy stated in note 3.18.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

11 TRADE AND OTHER RECEIVABLES

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

11 TRADE AND OTHER RECEIVABLES (cont'd)

(c) Non-current loans to third party of $45,000,000 (2015: $45,000,000) is secured and is repayable in 2019. The average effective interest rate at reporting date was 13.78% (2015: 13.78%) per annum.

(d) In 2015, the loan to non-controlling interests was unsecured and bore interest at 10% per annum. The amount was reclassified to current during the year.

(e) Loan to an associate of $459,000 (2015: $459,000) is unsecured, repayable on demand and bears interest at 9.75% (2015: 9.75%) per annum. The remaining loan to an associate is unsecured, interest-free and is expected to be repaid within the next twelve months from the reporting date.

(f) Loans to non-controlling interests are unsecured, repayable on demand, bear interest at 6.00% to 10.00% (2015: 6.00% to 10.00%) per annum and are expected to be repaid within the next twelve months from the reporting date.

(g) Loans to third parties are unsecured, repayable on demand, interest-free (2015: 12.00% to 15.00% per annum) and are expected to be repaid within the next twelve months from the reporting date.

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

Finance lease receivables

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

12 DEVELOPMENT PROPERTIES AND CONSTRUCTION-IN-PROGRESS

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

(a) Properties in the course of development

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

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

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

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

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

(b) Construction-in-progress

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

13 INVENTORIES

	Group	
	2016	2015
	$'000	$'000
Consumables	505	409

14 CASH AND CASH EQUIVALENTS

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

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

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

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

15 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR DISPOSAL

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

15 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR DISPOSAL (cont'd)

Assets and liabilities of disposal group classified as held for disposal

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

	Group	
	2016	**2015**
	$'000	**$'000**
Property, plant and equipment	–	1
Cash and cash equivalents	29	6,350
Assets classified as held for disposal	29	6,351
Other payables	4	147
Liabilities classified as held for disposal	4	147

Cumulative income or expense recognised in other comprehensive income

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

16 SHARE CAPITAL

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

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

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

Capital management

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

The Board of Directors also seeks to maintain a balanced level of borrowings with a view to optimise financial return to shareholders. The Group targets to achieve a return on shareholders' equity (ROE) of between 14.00% to 18.00% (2015: 14.00% and 18.00%). In 2016, the Group achieved a ROE of 2.70% (2015: 8.10%).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

16 SHARE CAPITAL (cont'd)

Capital management (cont'd)

The Group monitors capital on the basis of the net debt-to-equity ratio. This ratio is calculated as total borrowings, net of cash and cash equivalents, divided by total shareholders' equity excluding non-controlling interests. The Group's strategy is to maintain a net debt-to-equity ratio of under 1.5. The net debt-to-equity ratio was 1.15 as at 30 April 2016 (2015: 0.97).

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

The Company and its subsidiaries are not subject to externally imposed capital requirements, except for certain financial covenants (including those relating to consolidated net assets) as stipulated by its bankers in respect of term loans drawn down.

Dividends

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

Paid by the Company to owners of the Company

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

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

Paid by a subsidiary to non-controlling interests

	Group	
	2016	2015
	$'000	$'000
Dividend paid of $1.00 per qualifying ordinary share (2015: nil)	20	–

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

17 PERPETUAL SECURITIES

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

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

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

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

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

18 RESERVES

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

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

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

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

19 LOANS AND BORROWINGS

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

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

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

Finance lease liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

19 LOANS AND BORROWINGS (cont'd)

Terms and debt repayment schedule

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

20 TRADE AND OTHER PAYABLES

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

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

(b) The loans from subsidiaries are unsecured with no fixed terms of repayment and will not be repaid within the next twelve months from the reporting date. Loans of $702,000 (2015: $243,000) are interest-free, loan of $6,800,000 (2015: $nil) bears interest at 1.50% over bank's cost of funds and loan of $3,219,000 (2015: $3,219,000) bears interest at 2.21% (2015: 1.84%). The remaining loans bear interest at 1.00% (2015: 1.00%) above market swap rate determined at the beginning of each month on the net payables. As at the reporting date, the average effective interest rate for interest-bearing loans was 2.08% (2015: 1.38%) per annum.

(c) The non-current loans from non-controlling interests of $10,528,000 (2015: $5,993,000) are unsecured, interest-free and with no fixed terms of repayment and will not be repaid within the next twelve months. The remaining loan of $4,650,000 (2015: $4,850,000) bears interest at 10.00% (2015: 10.00%) per annum.

(d) Long-term employee benefits payable to certain directors or employees upon their retirement are provided for in the financial statements based on their entitlement under their employment contracts.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

20 TRADE AND OTHER PAYABLES (cont'd)

(e) As at 30 April 2015, deferred revenue relating to the excess of sales proceeds over the fair values of the warehouse complexes disposed through sale and leaseback transactions amounted to $11,339,000. As the sale and leaseback transactions resulted in operating leases, the excess of the selling prices over fair values was deferred and accreted over the period for which the warehouse complexes are expected to be used. The deferred revenue is accreted on a straight-line basis over the respective lease periods of the warehouse complexes. Accretion of deferred revenue of $11,339,000 (2015: $19,439,000) was recorded in "Other income" of the Group's profit or loss during the current year. During the year, the deferred revenue was fully amortised following the expiry of the leases in November 2015.

(f) Loans from related parties bear interest at 6.00% to 10.00% (2015: 6.00% to 10.00%) are unsecured and are repayable on demand.

(g) The current loans from non-controlling interests are unsecured and expected to be repaid within the next twelve months. Loan of $4,901,000 (2015: $3,423,000) is interest-free and remaining loans of $4,500,000 (2015: $nil) bear interest at 12.00% (2015: nil) per annum.

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

21 PROVISIONS

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

Site restoration

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

22 REVENUE

Disaggregation of revenue

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
Year ended 30 April 2016

22 REVENUE (cont'd)

Transaction prices allocated to the remaining performance obligations

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

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

23 OTHER INCOME

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

24 FINANCE INCOME AND COSTS

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

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

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

25 INCOME TAX

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

25 INCOME TAX (cont'd)

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

26 PROFIT FOR THE YEAR

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

27 EARNINGS PER SHARE

	Group 2016 $'000	Group 2015 $'000
Basic earnings per share is computed based on:		
Net profit attributable to ordinary shareholders	10,023	30,003

	No. of shares ('000)	No. of shares ('000)
Issued ordinary shares at beginning of the year	2,607,096	2,525,060
Effect of share consolidation	(2,215,158)	–
Effect of own shares held	129,479	(12,234)
Effect of ordinary shares issued	18,219	53,747
Weighted average number of ordinary shares at end of the year	539,636	2,566,573

	$'000	$'000
Diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders	10,023	30,003

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive potential ordinary shares weighted for the period outstanding.

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

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

28 SEGMENT REPORTING

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

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

- Freight and logistics business: provision of international freight forwarding services, distribution, storage and warehousing services, records management, document storage, provision of chemical logistics, transportation and warehousing activities.

- Financial services: provision of fund management, financial leasing services, real estate fund management and investment holdings.

- Real estate business: provision of real estate property management, property development, construction services and property investment.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

28 SEGMENT REPORTING (cont'd)

Inter-segment pricing is determined on mutually agreed terms.

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

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

Geographical segments

The freight and logistics, financial services and real estate business segments are managed on a worldwide basis, but operate in eight (2015: seven) principal geographical areas.

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

Operating segments

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

28 SEGMENT REPORTING (cont'd)

Operating segments (cont'd)

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

28 SEGMENT REPORTING (cont'd)

Operating segments (cont'd)

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

28 SEGMENT REPORTING (cont'd)

Geographical segments

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

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

Major customers

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

29 FINANCIAL RISK MANAGEMENT

Overview

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

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

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

Credit risk

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

Liquidity risk

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

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows for a period of 60 days.

The Group funds its operations through a mix of internal funds and bank borrowings, and reviews regularly its liquidity reserves comprising free cash flows from its operations and undrawn facilities from banks.

The Group has been maintaining a cash pooling system where excess liquidity is equalised internally through intercompany accounts. Depending on specifics of each funding requirement, funding for its operating subsidiaries may be sourced directly from the Group's bankers or indirectly through the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

29 FINANCIAL RISK MANAGEMENT (cont'd)

Market risk

Market risk is the risk that changes in the market prices, such as interest rates, foreign exchange rates, equity prices which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations. The Group's policy is to manage interest cost by using a mix of fixed and variable rate debts.

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases, investments and borrowings including inter-company unless, purchases and inter-company balances, that are denominated in currencies other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are United States dollar (USD), Chinese renminbi (RMB), Australian dollar (AUD) and Malaysian ringgit (RM). The Group operates internationally and is exposed to foreign currency risks arising from various currency exposures. Such risks are hedged either by forward foreign exchange contracts in respect of actual or forecasted currency exposures which are reasonably certain or hedged naturally by a matching sale or purchase of a matching asset or liability of the same currency and amount.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group reviews the net foreign currency balances to ensure that its exposure is kept to an acceptable level.

Equity securities price risk

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

30 FINANCIAL INSTRUMENTS

Credit risk

Trade and other receivables, and construction-in-progress

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

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

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

* Excludes prepayments and advances

30 FINANCIAL INSTRUMENTS (cont'd)

Credit risk (cont'd)

Impairment losses

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

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

* Excludes prepayments and advances

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

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

* Excludes prepayments and advances

Fair value of collateral

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

Investments

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

Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

30 FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

30 FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk (cont'd)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

30 FINANCIAL INSTRUMENTS (cont'd)

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations. The Group's policy is to manage interest cost by using a mix of fixed and variable rate debts.

Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments, as reported to the management, was as follows:

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

Fair value sensitivity analysis for fixed rate instruments

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

30 FINANCIAL INSTRUMENTS (cont'd)

Interest rate risk (cont'd)

Cash flow sensitivity for variable rate instruments

For variable rate financial assets and liabilities, an increase of 100 bp in interest rate at the reporting date would (decrease)/increase profit or loss by the amounts shown. A decrease of 100 bp in interest rate would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

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

There is no impact on equity.

Foreign currency risk

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

	2016				2015			
	USD $'000	RMB $'000	AUD $'000	RM $'000	USD $'000	RMB $'000	AUD $'000	RM $'000
Group								
Convertible loans to an associate and RCCPS in an associate	11,811	3,961	–	–	11,632	3,884	–	–
Other investments	54,247	–	3,127	98	58,325	–	4,079	153
Trade and other receivables	8,913	3,499	6	4,463	8,234	–	6	1,302
Cash and cash equivalents	4,071	670	–	109	7,631	453	–	111
Trade and other payables	(12,136)	(173)	–	(550)	(11,490)	(149)	–	(591)
Term loans	(22,929)	–	–	–	(33,055)	–	–	–
Net statement of financial position exposure	43,977	7,957	3,133	4,120	41,277	4,188	4,085	975
Foreign exchange contracts	19,576	–	–	–	28,180	–	–	(812)
Net exposure	63,553	7,957	3,133	4,120	69,457	4,188	4,085	163
Company								
Convertible loans to an associate and RCCPS in an associate	11,811	3,961	–	–	11,632	3,884	–	–
Other investments	54,247	–	–	–	51,857	–	–	–
Trade and other receivables	–	5,791	–	–	–	2,868	–	–
Cash and cash equivalents	210	661	–	–	84	141	–	–
Trade and other payables	(1,305)	(173)	–	–	(1,139)	(149)	–	–
Term loans	(7,603)	–	–	–	(14,049)	–	–	–
Net statement of financial position exposure	57,360	10,240	–	–	48,385	6,744	–	–
Foreign exchange contracts	19,576	–	–	–	22,888	–	–	(812)
Net exposure	76,936	10,240	–	–	71,273	6,744	–	(812)

30 FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk (cont'd)

Sensitivity analysis

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

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

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

There is no impact on equity.

Equity securities price risk

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

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

Sensitivity analysis

A 10% increase in the underlying equity prices at the reporting date, with all other variables held constant, would increase profit/equity by the following amounts:

	Group $'000	Company $'000
30 April 2016		
Profit or loss	7,042	5,994
Equity	3,089	–
30 April 2015		
Profit or loss	8,023	5,978
Equity	3,766	–

A 10% decrease in the underlying equity prices would have had the equal but opposite effect to the amounts shown above. The analysis is performed on the same basis for 2015 and assumes that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

31 FAIR VALUES OF ASSETS AND LIABILITIES

Determination of fair value

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

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

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investment properties

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

Fair value through profit or loss – foreign exchange contracts

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

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

Fair value through profit or loss – convertible bond

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

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

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

Equity and debt securities

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

Non-derivative financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables, loans and borrowings, and notes payable) or those which reprice within six months are assumed to approximate their fair value because of the short period to maturity or repricing. All other financial assets and liabilities are discounted to determine their fair values.

Interest rates used in determining fair values

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

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

Accounting classifications and fair values

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

		Carrying amount						Fair value			
	Note	Loans and receivables $'000	Available-for-sale $'000	Held-for-trading $'000	Designated at fair value $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group											
30 April 2016											
Financial assets measured at fair value											
Available-for-sale financial assets, excluding unquoted equity securities held at cost	9	–	30,892	–	–	–	30,892	30,892	–	–	30,892
Financial assets at fair value through profit or loss	9	–	–	72,573	19,577	–	92,150	18,326	54,247	19,577	92,150
		–	30,892	72,573	19,577	–	123,042				
Financial assets not measured at fair value											
Associates	8	15,772	–	–	–	–	15,772	–	15,772	–	15,772
Restricted fixed deposits	9	117	–	–	–	–	117				
Trade and other receivables, excluding prepayments and advances	11	210,842	–	–	–	–	210,842	–	210,842	–	210,842
Construction-in-progress	12	51,556	–	–	–	–	51,556	–	51,556	–	51,556
Cash and cash equivalents	14	23,088	–	–	–	–	23,088				
		301,375	–	–	–	–	301,375				
Financial liabilities measured at fair value											
Foreign exchange contracts	20	–	–	–	1,303	–	1,303	–	1,303	–	1,303
Financial liabilities not measured at fair value											
Loans and borrowings	19	–	–	–	–	448,916	448,916	–	451,866	–	451,866
Trade and other payables*	20	–	–	–	–	121,033	121,033	–	120,920	–	120,920
		–	–	–	–	569,949	569,949				

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

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

Accounting classifications and fair values (cont'd)

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

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

Accounting classifications and fair values (cont'd)

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

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

Accounting classifications and fair values (cont'd)

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

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

Valuation techniques and significant unobservable inputs

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

Assets and liabilities measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group			
Fair value through profit or loss			
– Convertible bond	Proprietary valuation model, developed from the Black-Scholes Model: The valuation model includes the utilisation of the adjusted net asset value (2015: market capitalisation) of Blackgold International Holdings Limited, forecasted USD: SGD and AUD: SGD exchange rates, and applying a probability weighting to the fair value of the possible outcomes of the transaction (see note 9).	• Adjusted net asset value of Blackgold International Holdings Limited • Discount for lack of marketability: 30% • Discount for lack of control: 60.12% • Probability weighting applied of 0% (2015: 50%)	The estimated fair value would increase/(decrease) if: • the adjusted net asset value of Blackgold International Holdings Limited was higher/(lower); • the discount for lack of marketability was lower/(higher); • the discount for lack of control was lower/(higher); and • the probability weighting applied was higher/(lower).
Investment properties			
– Industrial factory	Discounted cash flows: The valuation model estimates and projects an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value.	• Discount rate: 6.17% (2015: 6.70%) • Rental rates: \$52 to \$89 (2015: \$50 to \$80) per square metre per annum • Estimated cost to complete the construction	The estimated fair value would increase/(decrease) if: • the discount rate was lower/(higher); • the rental rate was higher/(lower); and • the estimated cost to complete the construction was lower/(higher).
– Commercial property	Market comparison approach: The valuation model analyses comparable sales of similar properties and adjusting the sale prices to be reflective of the investment properties.	• In-house adjustments made by valuer on comparable prices of \$18,686 to \$37,265	The estimated fair value would increase/(decrease) if the adjustments and comparable prices were higher/(lower).
– Residential property	Market comparison approach: The valuation model analyses comparable sales of similar properties and adjusting the sale prices to be reflective of the investment properties.	• In-house adjustments made by valuer on comparable prices of \$3,625 to \$4,446 (2015: \$3,951 to \$4,845) per square metre • Estimated cost to complete the construction	The estimated fair value would increase/(decrease) if: • the adjustments and comparable prices were higher/(lower); and • the estimated cost to complete the construction was lower/(higher).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

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

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

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

Financial instruments not measured at fair value

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

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

Reconciliation of Level 3 fair value

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

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

Sensitivity analysis

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

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

There is no impact on equity.

32 ACQUISITION OF SUBSIDIARIES

(a) Saujana Tiasa Sdn Bhd

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

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

Revenue and profit contribution

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

32 ACQUISITION OF SUBSIDIARIES (cont'd)

(a) Saujana Tiasa Sdn Bhd (cont'd)

Consideration transferred

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

	$'000
Effect on cash flows of the Group	
Cash paid	–
Less: Cash and cash equivalents in subsidiary acquired	1
Cash inflow on acquisition	1

	Note	At fair value $'000
Identifiable assets acquired and liabilities assumed		
Investment property	6	82,775
Trade and other receivables		208
Cash and cash equivalents		1
Total assets		82,984
Deferred tax liabilities	10	1,716
Trade and other payables		48,824
Total liabilities		50,540
Total net identifiable assets		32,444
Less: Non-controlling interests		(16,222)
Less: Amount previously accounted for as joint venture		(16,222)
Total consideration transferred		–

Measurement of fair values for material assets acquired and liabilities assumed

Investment property

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

Acquired payables

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

Non-controlling interests

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

(b) Ececil Pte. Ltd.

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

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

32 ACQUISITION OF SUBSIDIARIES (cont'd)

(b) Ececil Pte. Ltd. (cont'd)

Revenue and profit contribution

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

Consideration transferred

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

	$'000
Effect on cash flows of the Group	
Cash paid	(22,877)
Less: Cash and cash equivalents in subsidiary acquired	29
Cash outflow on acquisition	(22,848)

	At fair value $'000
Identifiable assets acquired and liabilities assumed	
Development property	110,000
Trade and other receivables	88
Cash and cash equivalents	29
Total assets	110,117
Trade and other payables	249
Loans and borrowings	86,833
Total liabilities	87,082
Total net identifiable assets	23,035

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

Measurement of fair values for material assets acquired and liabilities assumed

Development property

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

Acquired loans and borrowings

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

33 ACQUISITION OF NON-CONTROLLING INTERESTS

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

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

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

34 NON-CONTROLLING INTERESTS

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

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

34 NON-CONTROLLING INTERESTS (cont'd)

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

34 NON-CONTROLLING INTERESTS (cont'd)

	LTH $'000	SREIM $'000	Sinolink $'000	Fervent $'000	DP-Master $'000	Saujana $'000	Vibrant DB2 $'000	Shentoncil $'000	Ececil $'000	Other individually immaterial subsidiaries $'000	Intra-group elimination $'000	Total $'000
2015												
Revenue	45,202	6,753	2,344	–	–	–	–	–	–			
(Loss)/profit after tax	(2,812)	1,926	1,449	1,494	(318)	(5,142)	(2,672)	(1,075)	(28,035)			
Other comprehensive income	–	176	276	747	521	(938)	–	–	–			
Total comprehensive income	(2,812)	2,102	1,725	2,241	203	(6,080)	(2,672)	(1,075)	(28,035)			
Attributable to non-controlling interests:												
– (Loss)/profit after tax	(1,378)	944	788	1,046	(203)	(2,571)	(1,309)	(527)	(13,737)	(1,017)	14,564	(3,400)
– Other comprehensive income	–	86	150	523	333	(469)	–	–	–	413	(1,589)	(553)
Total comprehensive income	(1,378)	1,030	938	1,569	130	(3,040)	(1,309)	(527)	(13,737)	(604)	12,975	(3,953)
Non-current assets	135,542	14,478	15,027	25,446	246	77,477	16,100	22,877	–			
Current assets	29,441	2,166	10,278	801	27,990	209	46,385	7,478	112,996			
Non-current liabilities	(116,323)	–	(2,631)	(1,404)	–	(1,471)	–	–	(82,500)			
Current liabilities	(42,391)	(1,394)	(367)	(10,458)	(10,812)	(49,856)	(34,544)	(16,057)	(8,153)			
Net assets	6,269	15,250	22,307	14,385	17,424	26,359	27,941	14,298	22,343			
Net assets attributable to non-controlling interests	3,072	7,473	12,124	10,070	11,151	13,180	13,691	7,006	10,948	9,800	(32,685)	65,830
Cash flows from operating activities	17,276	(2,530)	(140)	432	(13,838)	191	–	(1)	(3,783)			
Cash flows from investing activities	(11,938)	2,068	(16,452)	(15,435)	(65)	(187)	–	(39)	–			
Cash flows from financing activities (dividends to non-controlling interests: $nil)	(8,338)	(50)	14,517	14,261	4,407	–	10	51	3,748			
Net (decrease)/increase in cash and cash equivalents	(3,000)	(512)	(2,075)	(742)	(9,496)	4	10	11	(35)			

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

35 COMMITMENTS

Capital commitments

	2016 $'000	2015 $'000
Expenditure contracted for:		
– Property, plant and equipment	244	52,845
– Investment properties	1,615	16,491
	1,859	69,336

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

Operating lease commitments

The Group leases a number of leasehold properties under operating leases. The leases typically run for an initial period of 1 to 60 years, with an option to renew the lease after that date. Lease payments are usually increased annually to reflect market rentals.

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

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

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

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

	Group	
	2016 $'000	2015 $'000
Within 1 year	695	–
After 1 year but within 5 years	3,066	–
After 5 years	837	–
	4,598	–

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

36 CONTINGENT LIABILITIES (UNSECURED)

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

Intra-group financial guarantees comprise corporate guarantees amounting to $195,107,000 (2015: $144,720,000) granted by the Company to banks in respect of banking facilities to secure banking facilities provided to certain subsidiaries. The financial guarantees will expire when the loans have been paid and discharged and/or when the banking facilities are no longer available to the subsidiaries. These financial guarantee contracts are accounted for as insurance contracts.

The periods in which the financial guarantees expire are as follows:

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

The principal risk to which the Company is exposed is credit risk in connection with the guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the subsidiaries which the guarantees were given on behalf of.

The intra-group financial guarantees for subsidiaries are eliminated in preparing the consolidated financial statements.

In addition, the Company has undertaken to provide financial support to certain of its subsidiaries for the next twelve months. The net current liabilities/net liabilities of these entities which are included in the consolidated financial statements as at 30 April 2016 amounted to $271,381,000 (2015: $124,524,000).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

37 RELATED PARTIES

Key management personnel compensation

Key management personnel of the Group and Company is defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including directors and officers of the Group and Company.

Key management personnel compensation comprised:

	Group	
	2016	**2015**
	$'000	**$'000**
Short-term employee benefits	4,019	4,199
Long-term employee benefits	87	147
Defined contribution plans	218	186
	4,324	4,532

Other related party transactions

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

	Group	
	2016	**2015**
	$'000	**$'000**
Purchases from a related party	46,077	14,501
Professional fees paid to TSMP Law Corporation	26	49

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

38 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Key sources of estimation uncertainty

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

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

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expenses to be recorded for each financial year. Changes in the expected level of use of the assets and the Group's historical experience with similar assets, after taking into account anticipated technological changes, could impact the economic useful lives and the residual values of the assets; therefore future depreciation charges could be revised. Any changes in the economic useful lives could impact the depreciation charge and consequently affect the Group's results. The residual value is reviewed at each reporting date, with any changes in estimate accounted for prospectively.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

38 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

Key sources of estimation uncertainty (cont'd)

Impairment of subsidiaries

The Company assesses at the end of each financial year whether there is any indication of impairment on its subsidiaries. This assessment takes into account the market value of the subsidiaries, changes in the technological, market, economic or legal environment in which the subsidiaries operate in and changes to the market interest rates. The recoverable amounts of the subsidiaries were determined based on fair value less costs to sell, i.e. adjusted net assets of the subsidiaries was used as a proxy. If the financial conditions of the subsidiaries were to deteriorate, impairment may need to be recognised.

Impairment of associates

The Group evaluates annually whether there is any objective evidence that the convertible loans and RCCPS in associates, and investment in associates are impaired, and determines the amount of impairment loss, if any, as a result of the associates' inability to make the repayments. The Group determines the estimates based on historical repayments, financial performance and the quality of the assets of the associates. If the financial conditions of the associates were to deteriorate, impairment may need to be recognised.

Impairment of doubtful receivables and construction-in-progress

The Group follows the guidance of FRS 39 *Financial Instruments: Recognition and Measurement* in determining when a financial asset is other than temporarily impaired. The Group evaluates whether there is any objective evidence that trade receivables and construction-in-progress are impaired, and determines the amount of impairment loss as a result of the inability of the customers or counterparties to make required payments. The Group determines the estimates based on the ageing of trade receivables, credit-worthiness, and historical write-off experience. Management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's trade and other receivables, and construction-in-progress. If the financial conditions of the customers or counterparties were to deteriorate, actual write-offs would be higher than estimated.

Assessment of risk of foreseeable losses

The Group assesses at every reporting date whether any allowance for foreseeable losses is required on properties in the course of development - unsold properties. The allowance for foreseeable losses is estimated after taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred, taking into consideration historical trends of the amounts incurred. As at the reporting date, no allowance for foreseeable losses is recognised.

Valuation of investment properties

The Group's investment properties are stated at fair value based on independent professional valuations. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include comparable sales, discount rate and rental rates, as well as estimated costs to complete in relation to investment properties under development. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

Valuation of convertible bond

The Group's investment in convertible bond is valued using a proprietary valuation model, developed from the Black-Scholes Model. Such valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of the probability weighting to be applied as well as the derivation of the fair values of the respective outcomes, determination of the adjusted net asset value, probability of counterparty default and appropriate discount rates.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Year ended 30 April 2016

38 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made certain judgements, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

Classification of leasehold properties, investment properties and development properties

In assessing the classification of properties, management considers its intention with regards to the use of the properties, i.e. held for own use; held to earn rental or for capital appreciation or both; or held with the intention of development and sale in the ordinary course of business. Where there is a change in intended use, a change in classification may be required.

Determination of enforceable right to payment

In relation to revenue recognition for the Group's development properties and construction-in-progress, management obtained advice from legal and professional advisors and exercised judgement in determining whether the Group has an enforceable right to payment for performance completed to date.

Impairment of available-for-sale financial assets

The Group follows the guidance of FRS 39 *Financial Instruments: Recognition and Measurement* in determining whether there is objective evidence that the available-for-sale financial assets are impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investment, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

39 SUBSEQUENT EVENTS

On 18 May 2016, the Board of Directors announced that LionHeart Holding Group Corp (LionHeart), a wholly-owned subsidiary of the Company, and Blackgold International Holdings Limited (BGG) have mutually agreed in writing to extend the Completion End Date and the Right to Nominate End Date of the Convertible Bond Agreement to 18 May 2017. The provision of the Term Sheet and the Convertible Bond Agreement dated 8 December 2014 entered into between LionHeart and BGG remain unchanged and shall continue in full force and effect.

On 6 June 2016 and 24 June 2016, the Board of Directors announced that the Company has entered into an underwriting agreement with China International Capital Corporation Limited, to appoint China International Capital Corporation Limited as the lead underwriter and bookrunner to issue up to RMB 1 billion Panda bonds.

On 29 July 2016, the Board of Directors announced that the Company's indirect subsidiary, Shentoncil Pte. Ltd. has entered into a Sale and Purchase Agreement (SPA) with Ze Qi Investment Holdings Pte. Ltd. (Ze Qi) and Heng Bo International Investment Pte. Ltd. to dispose 60% of the issued and paid up share capital of a subsidiary, Ececil Pte. Ltd. (Ececil), which owns a property, Cecil House at 139 Cecil Street Singapore 069539. The purchase consideration for the proposed disposal is $75,000,000, which is arrived on a willing buyer willing seller basis and after taking into account unaudited net asset value of Ececil of $44,692,745 as at 30 April 2016. An earnest money of $1,500,000 was paid by Ze Qi upon signing of the Term Sheet and a further earnest money of $1,500,000 will be payable within 3 business days of signing the SPA. Upon completion, the balance purchase consideration shall be made payable in cash of $22,500,000 and $49,500,000 to be satisfied by providing guarantees to a bank.

On 12 May 2016, through the conversion of a loan extended to non-controlling shareholder of Fervent Industrial Development (Suzhou) Co., Ltd, the Group increased its equity stake from 50.00% to 81.45%. After the conversion, the Group's effective equity stake in this subsidiary increased from 30.00% to 48.87%.

AUDITED FINANCIAL STATEMENTS OF VIBRANT GROUP LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 30 APRIL 2017

The information in this Appendix III has been reproduced from the annual report of Vibrant and its subsidiaries for the financial year ended 30 April 2017 and has not been specifically prepared for inclusion in this Information Memorandum.

Independent Auditors' Report

Members of the Company
Vibrant Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

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

Basis for opinion

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

Independent Auditors' Report (cont'd)

Key audit matters

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

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

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

Independent Auditors' Report (cont'd)

Impairment of investments in subsidiaries and associates (S$18,318,000 and S$79,157,000 respectively) (Refer to Notes 7, 8 and 39 to the financial statements)	
The key audit matter	*How the matter was addressed in our audit*
The Group has significant investments in subsidiaries and associates. Certain of these subsidiaries and associates are loss making, which is an indicator or objective evidence of impairment. Where an indicator/objective evidence of impairment exists, the recoverable amounts of these subsidiaries and associates, have been determined based on the higher of their fair value less cost to sell (FVLCTS) and value-in-use (VIU). The determination of recoverable amounts requires judgement. The determination of recoverable amounts when VIU is applicable requires estimation of forecasted revenues, profit margins and computation of discount rates. The determination of recoverable amounts when FVLCTS is applicable requires an estimation of the fair value of the underlying assets of these subsidiaries, which primarily comprise industrial properties. The Group had engaged independent external valuers to undertake the valuations. The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied, which includes recent transacted selling prices of comparable properties in the vicinity.	We reviewed the Group's assessment of indicators/objective evidence of impairment. Where an indication or objective evidence of impairment was identified in relation to an investment in subsidiary/associate, we examined the Group's determination of FVLCTS where applicable, as follows: – Evaluated the objectivity, independence and competence of the external valuers; – Considered the valuation methodologies used against those applied by other valuers for similar property type; – Assessed the appropriateness of valuation methodologies and key assumptions adopted, by comparing the recoverable amounts derived to recent transacted selling prices of comparable properties in the vicinity; and – Assessed the appropriateness where net assets were used as estimates of FVLCTS. Where an indication/objective evidence of impairment was identified in relation to an investment in subsidiary/associate, we examined the Group's determination of VIU where applicable, as follows: – Discussed with management to understand their assessment of the future performance of the subsidiary/associate; and – Assessed the appropriateness of the valuation methodologies and estimates utilised by management in deriving the VIU. This includes recomputing the discount rate utilised and comparing long-term growth rates and operating profit margins utilised in the discounted cash flows, to market data, including economic and industry forecasts, as well as past historical records.

Other information

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

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

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

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

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

Independent Auditors' Report (cont'd)

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

Independent Auditors' Report (cont'd)

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
7 August 2017

Statements of Financial Position

As at 30 April 2017

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

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

Consolidated Income Statement
Year ended 30 April 2017

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

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

Consolidated Statement of Comprehensive Income
Year ended 30 April 2017

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

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

Consolidated Statement of Changes in Equity

Year ended 30 April 2017

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

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

Consolidated Statement of Changes in Equity (cont'd)

Year ended 30 April 2017

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

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

Consolidated Statement of Changes in Equity (cont'd)

Year ended 30 April 2017

	Share capital $'000	Perpetual securities $'000	Treasury shares $'000	Capital reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Other reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Group											
At 1 May 2016	122,476	97,947	(1,087)	7,212	–	(4,228)	3	148,848	371,171	80,288	451,459
Total comprehensive income for the year											
Profit for the year	–	–	–	–	–	–	–	3,422	3,422	17,051	20,473
Other comprehensive income											
Foreign currency translation differences for foreign operations	–	–	–	–	–	(3,509)	–	–	(3,509)	(2,227)	(5,736)
Share of reserves of associates	–	–	–	104	–	–	9	–	113	–	113
Total other comprehensive income	–	–	–	104	–	(3,509)	9	–	(3,396)	(2,227)	(5,623)
Total comprehensive income for the year	–	–	–	104	–	(3,509)	9	3,422	26	14,824	14,850
Transactions with owners of the Company, recognised directly in equity											
Contributions by and distributions to owners of the Company											
Dividends paid to owners (note 16)	–	–	–	–	–	–	–	(9,968)	(9,968)	–	(9,968)
Distributions on perpetual securities	–	–	–	–	–	–	–	(7,350)	(7,350)	–	(7,350)
Issue of new shares (note 16)	17,378	–	–	–	–	–	–	–	17,378	–	17,378
Purchase of treasury shares	–	–	(672)	–	–	–	–	–	(672)	–	(672)
Total contributions by and distributions to owners of the Company	17,378	–	(672)	–	–	–	–	(17,318)	(612)	–	(612)

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

Consolidated Statement of Changes in Equity (cont'd)

Year ended 30 April 2017

	Share capital $'000	Perpetual securities $'000	Treasury shares $'000	Capital reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Other reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
Changes in ownership interests in subsidiaries											
Acquisition of non-controlling interests without a change in control (note 33)	–	–	–	(228)	–	–	–	–	(228)	(5,006)	(5,234)
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	–	–	3,629	3,629
Disposal of interest in a subsidiary without loss of control	–	–	–	1	–	–	–	–	1	278	279
Total changes in ownership interests in subsidiaries	–	–	–	(227)	–	–	–	–	(227)	(1,099)	(1,326)
Total transactions with owners of the Company	17,378	–	(672)	(227)	–	–	–	(17,318)	(839)	(1,099)	(1,938)
At 30 April 2017	139,854	97,947	(1,759)	7,089	–	(7,737)	12	134,952	370,358	94,013	464,371

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

Consolidated Statement of Cash Flows
Year ended 30 April 2017

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

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

Consolidated Statement of Cash Flows (cont'd)

Year ended 30 April 2017

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

Significant non-cash transactions

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

In 2016, the proceeds from the capital reduction by a subsidiary amounting to $1,500,000 were set-off against the balance owing from the non-controlling interests.

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

Notes to the Financial Statements

Year ended 30 April 2017

These notes form an integral part of the financial statements.

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

1 DOMICILE AND ACTIVITIES

Vibrant Group Limited (the Company) is a company incorporated in Singapore. The address of the Company's registered office is 51 Penjuru Road #04-00 Freight Links Express Logisticentre, Singapore 609143.

The financial statements of the Group as at and for the year ended 30 April 2017 comprise the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interest in associates.

The principal activities of the Group are those relating to freight forwarding, chemical logistics, warehousing and logistics, leasing of industrial buildings, investment holding, real estate fund and property management services, fund management, financial leasing services, property development and property investment.

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is discussed in note 39.

Measurement of fair values

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

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

Significant valuation issues are reported to the Audit Committee.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

2 BASIS OF PREPARATION (cont'd)

2.4 Use of estimates and judgements (cont'd)

Measurement of fair values (cont'd)

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

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combinations* at the date of acquisition, which is the date on which control is transferred to the Group.

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

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

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

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.1 Basis of consolidation (cont'd)

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as available-for-sale financial asset depending on the level of influence retained.

Investments in associates (equity-accounted investees)

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

Investments in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees, after adjustments to align the accounting policies of the equity-accounted investees with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interest that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary. Any difference between the adjustment to non-controlling interests and the fair value of consideration paid is recognised directly in equity and presented as part of equity attributable to owners of the Company.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries and associates in the separate financial statements

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for the retranslation of available-for-sale equity instruments which is recognised in other comprehensive income (except on impairment in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss).

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at the average exchange rates for the year. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 May 2005 are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date. For acquisitions prior to 1 May 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

3.3 Financial instruments

Non-derivative financial assets

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

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

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

Financial assets at fair value through profit or loss

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

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

Financial assets designated at fair value through profit or loss comprise equity and debt securities that otherwise would have been classified as available-for-sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables excluding prepayments and advances and construction-in-progress.

Cash and cash equivalents

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

Held-to-maturity financial assets

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

Available-for-sale financial assets

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

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

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

Available-for-sale financial assets comprise equity securities.

Non-derivative financial liabilities

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

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

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

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, notes payable and trade and other payables.

Share capital and perpetual securities

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Perpetual securities

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

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

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

Compound financial instruments

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.3 Financial instruments (cont'd)

Compound financial instruments (cont'd)

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

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

Derivative financial instruments, including hedge accounting

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

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised immediately in profit or loss.

3.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

Subsequent costs

The cost of replacing component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.4 Property, plant and equipment (cont'd)

Depreciation (cont'd)

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Construction work-in-progress is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Leasehold properties	10 to 60 years, or lease term if shorter
Motor vehicles, trucks and prime movers	5 to 15 years
Office equipment and machinery	5 to 30 years
Furniture, fixtures and fittings	3 to 10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and represents the excess of:

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

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associates.

Customer list

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.6 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties under development are properties being constructed or developed for future use as investment properties. Investment properties and investment properties under development are initially recognised at cost, including transaction costs, and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

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

When the use of a property changes such that it is reclassified as property, plant and equipment or development properties, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Property that is being constructed for future use as investment property is accounted for at fair value.

3.7 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

3.8 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance cost and the reduction of the outstanding liability. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3.9 Development properties and construction-in-progress

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

Unsold property

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

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.9 Development properties and construction-in-progress (cont'd)

Fulfilment costs

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

Subsequent measurement

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

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

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

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

Construction-in-progress

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

Subsequent measurement

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

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

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

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

3.10 Inventories

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

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

3.11 Impairment

Non-derivative financial assets

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11 Impairment (cont'd)

Non-derivative financial assets (cont'd)

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

Loans and receivables and held-to-maturity financial assets

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

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity financial assets. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in cumulative impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

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

Associates

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

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, inventories, unsold property (without a sales contract) and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.11 Impairment (cont'd)

Non-financial assets (cont'd)

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3.12 Non-current assets held for sale or distribution

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.13 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Long-term employee benefits

The Group's net obligation in respect of the other employee benefits other than pension plans is the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any gains and losses are recognised in profit or loss in the period in which they arise.

3.14 Provisions

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

3.15 Revenue recognition

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

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

Freight and logistics segment

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

Freight services

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15 Revenue recognition (cont'd)

Freight and logistics segment (cont'd)

Logistics services

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

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

Warehousing services

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

Transportation services

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

Inventory management services

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

Record management services

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

Financial services segment

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

Management services

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

Base fees

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

Performance fees

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15 Revenue recognition (cont'd)

Financial services segment (cont'd)

Fee income

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

Dividend income

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

Interest income

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

Real estate segment

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

Sale of development properties and construction services

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

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

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

Revenue is recognised at the price agreed under the contract.

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

Property management services

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

Rental income

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.16 Government grants

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

3.17 Finance income and finance costs

Finance income comprises interest income on other receivables, deposits, loans and funds invested (including financial assets at fair value through profit or loss). Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and unwinding of the discount on provisions.

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

3.18 Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that it is probable that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.18 Tax (cont'd)

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.19 Dividends

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

3.20 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.21 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group Chief Executive Officer (Group CEO) (the chief operating decision maker) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

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

3.22 Financial guarantee contracts

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

3.23 Fair value measurement

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

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

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.24 New standards and interpretations not adopted

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

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

Applicable to 2019 financial statements

FRS 109 *Financial Instruments*

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

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Applicable to 2019 financial statements (cont'd)

FRS 109 *Financial Instruments* (cont'd)

Convergence with International Financial Reporting Standards (IFRS)

In addition, the Accounting Standards Council (ASC) announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to the International Financial Reporting Standards (referred to as SG-IFRS in these financial statements) for the financial year ending 31 December 2018 onwards.

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

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

Applicable to 2020 financial statements

FRS 116 *Leases*

FRS 116 *Leases* eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

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

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

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

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

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

4 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties $'000	Motor, vehicles trucks and prime movers $'000	Office equipment and machinery $'000	Furniture, fixtures and fittings $'000	Construction work-in-progress $'000	Total $'000
Group						
Cost						
At 1 May 2015	190,150	16,679	46,222	3,830	15,256	272,137
Additions	5,748	809	1,804	437	46,876	55,674
Disposals/write-offs	(2,705)	(422)	(152)	(100)	–	(3,379)
Disposal of subsidiary	–	–	(2,868)	(86)	–	(2,954)
Translation differences	(356)	(721)	1,738	(15)	–	646
Reclassifications	62,122	–	–	–	(62,122)	–
At 30 April 2016	254,959	16,345	46,744	4,066	10	322,124
Additions	–	2,652	1,648	709	2,819	7,828
Disposals/write-offs	–	(1,377)	(46)	(5)	–	(1,428)
Translation differences	(46)	(557)	(415)	15	–	(1,003)
At 30 April 2017	254,913	17,063	47,931	4,785	2,829	327,521
Accumulated depreciation						
At 1 May 2015	13,380	6,491	14,204	2,813	–	36,888
Depreciation for the year	4,279	2,186	3,813	449	–	10,727
Disposals/write-offs	–	(386)	(91)	(100)	–	(577)
Disposal of subsidiary	–	–	(723)	(46)	–	(769)
Translation differences	(67)	(422)	172	(10)	–	(327)
At 30 April 2016	17,592	7,869	17,375	3,106	–	45,942
Depreciation for the year	6,576	2,162	3,606	422	–	12,766
Disposals/write-offs	–	(1,372)	(46)	(5)	–	(1,423)
Translation differences	(6)	(340)	(100)	11	–	(435)
At 30 April 2017	24,162	8,319	20,835	3,534	–	56,850
Carrying amounts						
At 1 May 2015	176,770	10,188	32,018	1,017	15,256	235,249
At 30 April 2016	237,367	8,476	29,369	960	10	276,182
At 30 April 2017	230,751	8,744	27,096	1,251	2,829	270,671

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

4 PROPERTY, PLANT AND EQUIPMENT (cont'd)

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

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

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

Construction work-in-progress

Cost of construction work-in-progress comprised:

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

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

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

Assets under finance leases

The Group leases motor vehicles, trucks, prime movers and machinery under a number of finance lease agreements. As at 30 April 2017, the net carrying amount of leased plant and equipment was $6,020,000 (2016: $5,575,000).

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

4 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Security

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

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

5 INTANGIBLE ASSETS

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

Impairment assessment for cash-generation units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's cash generating units (CGUs). The net carrying amount of goodwill of $472,000 (2016: $472,000) is allocated to the financial services segment (CGU).

The recoverable amount of the financial services segment was determined based on its value in use.

6 INVESTMENT PROPERTIES

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

6 INVESTMENT PROPERTIES (cont'd)

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

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

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

As at 30 April 2017 and 2016, the residential and industrial investment properties were located and held by subsidiaries incorporated in countries with capital restrictions, i.e. repatriation requirements in place.

During the year, interest expense of approximately $65,000 (2016: $419,000) was capitalised in cost of investment properties at the cost of borrowing of 6.37% (2016: 8.00%) per annum.

Security

At 30 April 2017, investment properties of the Group with a carrying amount of $49,233,000 (2016: $179,354,000) were pledged as securities to secure bank loans to subsidiaries as set out in note 19.

Fair value hierarchy

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

7 SUBSIDIARIES

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

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

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

7 SUBSIDIARIES (cont'd)

Details of material subsidiaries of the Group are as follows:

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

8 ASSOCIATES

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

Convertible loans to an associate

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

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

[1] Audited by Goh Ngiap Suan & Co

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

(b) The convertible loans to an associate which are denominated in Chinese renminbi, are secured over the shares and assets of the associate.

(c) The convertible loans bore a contractual interest rate of 8% per annum. The effective interest rate was 8% per annum.

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

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

Redeemable cumulative convertible preference shares (RCCPS) in an associate

(a) Details of the associate are as follows:

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

[1] Audited by Goh Ngiap Suan & Co

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

8 ASSOCIATES (cont'd)

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

(b) Terms and conditions of the RCCPS:

(i) Each RCCPS shall confer on the holder the right to be paid in priority to any other distributions in respect of any other classes of shares and right to preference dividends on a cumulative basis, of an amount equal to 7% (2016: 7%) per annum of the issue price payable on each RCCPS for each year the RCCPS are in issue;

(ii) In the event of liquidation of GSD, the holder has priority in the repayment of capital together with any arrears of any declared but unpaid dividend on a cumulative basis. In addition, the holder is entitled to participate in the distribution of the surplus assets on liquidation of GSD equally with the holders of ordinary shares;

(iii) Each RCCPS is convertible at the sole discretion of the holder into 1 ordinary share in the capital of GSD. The holder has the right to convert the RCCPS any time after (a) receipt by GSD of Eligibility-to-List letter from an exchange or (b) 3 November 2006, if GSD is not listed on an exchange by 3 November 2006. As at the reporting date, the Group has yet to exercise its rights to convert the RCCPS and retains its rights to do so;

(iv) The RCCPS are secured over the shares of GSD; and

(v) Upon conversion, the Group would hold 39.04% of the issued share capital of GSD.

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

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

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

8 ASSOCIATES (cont'd)

Investment in associates (equity-accounted investees)

Summarised financial information of associates

The Group has four (2016: four) associates that are material and a number of associates that are individually immaterial to the Group. All are equity accounted. The following are the material associates:

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

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

Fair value of quoted investments in associates is determined by reference to the stock exchange quoted bid price as at 30 April 2017 (2016: 30 April 2016) (Level 1 in the fair value hierarchy).

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

8 ASSOCIATES (cont'd)

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

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

8 ASSOCIATES (cont'd)

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

9 OTHER INVESTMENTS

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

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

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

(c) In December 2014, the Group entered into an agreement with Blackgold International Holdings Limited (Blackgold) in respect of a convertible bond. Terms and conditions of the agreement are as follows:

(i) The Group shall subscribe to Tranche 1 of the convertible bond with face value of $15,000,000. In return, the Group shall have the right to nominate a company listed on the Singapore Stock Exchange to acquire Blackgold Holdings HongKong Limited (Blackgold HongKong) from Blackgold (the Reverse Take Over or RTO).

(ii) The Group shall subscribe to Tranche 2 of the convertible bond with face value of $3,750,000. In 2015, the Group subscribed to Tranches 1 and 2 of the convertible bond and exercised its right to nominate a listed company to acquire Blackgold HongKong from Blackgold.

(iii) Upon the completion of the RTO by no later than 18 May 2016:

- the Group shall subscribe to Tranche 3 of the convertible bond with face value of $6,250,000;
- Blackgold shall redeem all 3 Tranches of the convertible bond in full for cash; and
- the Group shall receive 25% of the shares issued by the listed company to Blackgold for the acquisition of Blackgold HongKong.

In the event of non-completion of the RTO by 18 May 2016, Tranches 1 and 2 of the convertible bond shall be converted into shares of Blackgold. On 18 May 2016 and 18 May 2017, the Group extended the Completion End Date and the Right to Nominate End Date of the Convertible Bond Agreement to 18 May 2017 and 31 August 2017 respectively. As at 30 April 2017, the RTO has not occurred. The Group and Blackgold had entered into an agreement to modify the terms of the convertible bond, so that the convertible bond shall be redeemed in full on 31 August 2017. This modification was effective as of 30 April 2017.

As at 30 April 2016, the convertible bond has been accounted for at fair value through profit or loss (see note 3.3). A fair value loss of $7,582,000 was recorded in "Other operating expenses" of the Group's profit or loss during the year. Information on the fair value measurement of the convertible bond is disclosed in note 31.

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

10 DEFERRED TAX

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

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

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

10 DEFERRED TAX (cont'd)

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

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

As at 30 April 2017, deferred tax liabilities of $830,000 (2016: $731,000) for temporary differences of $8,297,000 (2016: $7,306,000) related to investments in subsidiaries were not recognised because the Group can control the timing of reversal of the taxable temporary differences for all subsidiaries and the temporary differences are not expected to reverse in the foreseeable future.

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

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

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

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items in accordance with the accounting policy stated in note 3.18.

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

11 TRADE AND OTHER RECEIVABLES

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

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

(b) Loans to subsidiaries are unsecured with no fixed terms of repayment and are not expected to be repaid within the next twelve months. Loans of $3,926,000 (2016: $259,000) are interest-free and loans of $73,162,000 (2016: $57,703,000) bear fixed interest at 6.10% to 10.00% (2016: 6.10% to 10.00%) per annum. The remaining loans bear interest at 1.00% (2016: 1.00%) above market swap rate determined at the beginning of each month on the net receivables. As at the reporting date, the average effective interest rate for floating rate loans was 1.56% (2016: 2.08%) per annum.

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

11 TRADE AND OTHER RECEIVABLES (cont'd)

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

(e) Loan to an associate of $459,000 (2016: $459,000) is unsecured, repayable on demand and bears interest at 9.75% (2016: 9.75%) per annum. In 2016, the remaining loan to an associate is unsecured, interest-free and is expected to be repaid within the next twelve months from the reporting date.

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

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

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

Finance lease receivables

The Group entered into non-cancellable finance lease agreements. The Group's legal title to the plant and machinery will be transferred to the lessees by the end of the lease term of five years. Effective interest rates at the reporting date were 2.75% to 6.40% (2016: 11.00% to 13.00%) per annum.

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

12 DEVELOPMENT PROPERTIES AND CONSTRUCTION-IN-PROGRESS

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

(a) Properties in the course of development

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

In 2016, interest expense of $2,475,000 was capitalised by the Group as cost of development property at the cost of borrowing of 2.99% per annum. The development property was reclassified to investment property in the prior year due to a change in use as approved by the Board of Directors of the subsidiary. Accordingly, a fair value gain of $23,596,000, representing the difference between the fair value at date of reclassification of $140,000,000 (note 6) and carrying amount of $116,404,000, was recognised under "other income" in profit or loss (note 23) in the prior year.

(ii) The amount relates to the costs attributable to the sold units for the residential apartments in the mixed residential and commercial development project in Jiangyin, China. These fulfilment costs are recorded in profit or loss when revenue is recognised, upon the transfer of legal title to the customer and control of the development property. The Group has no enforceable right to payment prior to the point of transfer. No impairment was recorded as at 30 April 2017.

(b) Construction-in-progress

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

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

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

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

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

13 INVENTORIES

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

14 CASH AND CASH EQUIVALENTS

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

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

Included in cash and cash equivalents are amounts of $48,254,000 (2016: $7,834,000) held in countries with foreign exchange controls, i.e. repatriation requirements in place.

As at the reporting date, the weighted average effective interest rate per annum relating to deposits with banks for the Group ranges from 0.90% to 4.25% (2016: 1.00% to 3.97%). Interest rates reprice at intervals of overnight, one or twelve months (2016: overnight, fortnightly, one, three or twelve months).

15 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR DISPOSAL

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

Assets and liabilities of disposal group classified as held for disposal

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

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

Cumulative income or expense recognised in other comprehensive income

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

16 SHARE CAPITAL

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

On 18 October 2016 and 8 October 2015, the Company issued 22,722,000 (2016: 161,849,000) new ordinary shares for value of $7,498,000 (2016: $10,925,000) to eligible shareholders who elected to participate in the Scrip Dividend Scheme in respect of the final dividend declared and paid for the financial year ended 30 April 2016 and 30 April 2015, respectively.

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

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

Capital management

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

The Board of Directors also seeks to maintain a balanced level of borrowings with a view to optimise financial return to shareholders. The Group targets to achieve a return on shareholders' equity (ROE) of between 14.00% to 18.00% (2016: 14.00% and 18.00%). In 2017, the Group achieved a ROE of 0.92% (2016: 2.70%).

The Group monitors capital on the basis of the net debt-to-equity ratio. This ratio is calculated as total borrowings, net of cash and cash equivalents, divided by total shareholders' equity excluding non-controlling interests. The Group's strategy is to maintain a net debt-to-equity ratio of under 1.5. The net debt-to-equity ratio was 0.76 as at 30 April 2017 (2016: 1.15).

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

The Company and its subsidiaries are not subject to externally imposed capital requirements, except for certain financial covenants (including those relating to consolidated net assets) as stipulated by its bankers in respect of term loans drawn down.

Dividends

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

Paid by the Company to owners of the Company

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

16 SHARE CAPITAL (cont'd)

Dividends (cont'd)

Paid by a subsidiary to non-controlling interests

	Group 2017 $'000	Group 2016 $'000
Dividend paid of $nil per qualifying ordinary share (2016: 1.00)	–	20

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

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

17 PERPETUAL SECURITIES

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

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

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

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

During the financial year, distributions amounting to $7,350,000 (2016: $7,370,000) were paid to perpetual securities holders.

18 RESERVES

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

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

18 RESERVES (cont'd)

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

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

19 LOANS AND BORROWINGS

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

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

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

Finance lease liabilities

The Group entered into non-cancellable finance leases. The motor vehicles, trucks, prime movers and machinery subject to the finance leases will be transferred to the Group by the end of the lease terms ranging from 2 to 5 years (2016: 2 to 5 years). As at the reporting date, the Group has obligations under finance leases that are payable as follows:

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

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

19 LOANS AND BORROWINGS (cont'd)

Finance lease liabilities (cont'd)

Terms and debt repayment schedule

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

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

Of the Group and Company's bank loans, $118,561,000 (2016: $131,310,000) and $63,200,000 (2016: $90,853,000) are callable by financial institutions, and have been presented as current liabilities in the Group and Company's statements of financial position respectively.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

20 TRADE AND OTHER PAYABLES

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

(a) The loans from subsidiaries are unsecured with no fixed terms of repayment and will not be repaid within the next twelve months from the reporting date. Loans of $775,000 (2016: $702,000) are interest-free and a loan of $3,219,000 (2016: $3,219,000) bears interest at 2.86% (2016: 2.21%) and another loan of $1,450,000 (2016: $nil) bears interest at 1.95% over SIBOR. A loan of $5,440,000 (2016: $6,800,000) bears interest at 1.50% over bank's cost of funds with the final maturity date of repayment on 1 March 2021. The remaining loans bear interest at 1.00% (2016: 1.00%) above market swap rate determined at the beginning of each month on the net payables. As at the reporting date, the average effective interest rate for interest-bearing loans was 1.56% (2016: 2.08%) per annum.

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

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

20 TRADE AND OTHER PAYABLES (cont'd)

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

(f) Long-term employee benefits payable to certain directors or employees upon their retirement are provided for in the financial statements based on their entitlement under their employment contracts.

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

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

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

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

21 PROVISIONS

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

Site restoration

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

22 REVENUE

Disaggregation of revenue

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

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

22 REVENUE (cont'd)

Transaction prices allocated to the remaining performance obligations

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

23 OTHER INCOME

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

24 FINANCE INCOME AND COSTS

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

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

24 FINANCE INCOME AND COSTS (cont'd)

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

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

25 INCOME TAX

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

Reconciliation of effective tax rate

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

26 PROFIT FOR THE YEAR

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

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

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

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

27 EARNINGS PER SHARE

	Group	
	2017 $'000	2016 $'000
Basic earnings per share is computed based on:		
Net profit attributable to ordinary shareholders	3,422	10,023
	No. of shares ('000)	No. of shares ('000)
Issued ordinary shares at beginning of the year	553,787	2,607,096
Effect of share consolidation	–	(2,215,158)
Effect of own shares held	(134)	129,479
Effect of ordinary shares issued	28,024	18,219
Weighted average number of ordinary shares at end of the year	581,677	539,636

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

27 EARNINGS PER SHARE (cont'd)

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

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive potential ordinary shares weighted for the period outstanding.

There were no dilutive potential ordinary shares during the year (2016: nil).

28 SEGMENT REPORTING

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

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

- Freight and logistics business: provision of international freight forwarding services, distribution, storage and warehousing services, records management, document storage, provision of chemical logistics, transportation and warehousing activities.

- Financial services: provision of fund management, financial leasing services, real estate fund management and investment holdings.

- Real estate business: provision of real estate property management, property development, construction services and property investment.

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

Inter-segment pricing is determined on mutually agreed terms.

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

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

Geographical segments

The freight and logistics, financial services and real estate business segments are managed on a worldwide basis, but operate in eight (2016: eight) principal geographical areas.

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

28 SEGMENT REPORTING (cont'd)

Operating segments

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

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

28 SEGMENT REPORTING (cont'd)

Operating segments (cont'd)

	Freight and logistics $'000	Financial services $'000	Real estate $'000	Eliminations $'000	Total operations $'000
2016					
Revenue					
External revenue	158,923	17,478	104,330	–	280,731
Inter-segment revenue	326	381	–	(707)	–
Total revenue	159,249	17,859	104,330	(707)	280,731
Results					
Segment results	5,938	(6,989)	36,835	–	35,784
Unallocated corporate costs					
– other corporate costs					(2,806)
Results from operating activities					32,978
Finance income	120	3,331	1,926	–	5,377
Finance costs	(3,251)	(8,312)	(1,356)	–	(12,919)
Share of profits of associates, net of tax					6,950
Profit before income tax					32,386
Income tax expense	(368)	357	(3,617)	–	(3,628)
Profit/(loss) for the year	2,439	(11,613)	33,788	–	28,758
Other material non-cash items					
Accretion of deferred revenue	11,339	–	–	–	11,339
Fair value gain on foreign currency forward contract	–	1,413	–	–	1,413
Fair value gain on investment properties	–	–	5,053	–	5,053
Gain on disposal of an associate	52	–	–	–	52
Impairment loss on receivables	(62)	–	–	–	(62)
Fair value gain on remeasurement of development property upon reclassification to investment property	–	–	23,596	–	23,596
Fair value loss on embedded derivative of convertible bond	–	(7,582)	–	–	(7,582)
Fair value loss on securities designated at fair value through profit or loss	–	(6,047)	–	–	(6,047)
Loss on disposal of subsidiaries	(191)	–	–	–	(191)
Impairment loss on available-for-sale financial assets	–	(19,955)	–	–	(19,955)

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

28 SEGMENT REPORTING (cont'd)

Operating segments (cont'd)

	Freight and logistics $'000	Financial services $'000	Real estate $'000	Eliminations $'000	Total operations $'000
2017					
Assets and liabilities					
Segment assets	329,973	200,640	437,725	–	968,338
Tax recoverable					134
Associates					79,157
Deferred tax assets					1,495
Cash and cash equivalents					322
Other unallocated assets					1,579
Total assets					1,051,025
Segment liabilities	201,971	69,941	189,673	–	461,585
Notes payable					101,919
Deferred tax liabilities					7,901
Current tax payable					9,139
Other unallocated liabilities					6,110
Total liabilities					586,654
2016					
Assets and liabilities					
Segment assets	335,247	213,431	390,450	–	939,128
Tax recoverable					53
Associates					97,290
Deferred tax assets					2,551
Cash and cash equivalents					1,057
Other unallocated assets					4,251
Total assets					1,044,330
Segment liabilities	202,671	100,539	168,480	–	471,690
Notes payable					101,509
Deferred tax liabilities					6,328
Current tax payable					8,534
Other unallocated liabilities					4,810
Total liabilities					592,871
2017					
Other segment information					
Capital expenditure	7,647	53	9,316	–	17,016
Depreciation	12,535	151	80	–	12,766
2016					
Other segment information					
Capital expenditure	55,573	45	10,467	–	66,085
Depreciation	10,490	145	86	–	10,721

28 SEGMENT REPORTING (cont'd)

Geographical segments

	Singapore $'000	Malaysia $'000	People's Republic of China $'000	Rest of Asia $'000	United States of America $'000	Oceania $'000	Europe $'000	Middle East $'000	Others $'000	Group $'000
2017										
Revenue from external customers	85,233	13,758	22,195	42,509	5,319	3,335	6,917	2,723	2,631	184,620
Non-current assets*	324,923	71,726	55,447	2,286	–	–	–	–	–	454,382
Capital expenditure	5,799	1,793	9,379	45	–	–	–	–	–	17,016
2016										
Revenue from external customers	79,730	16,290	117,673	43,467	5,429	4,209	7,452	3,475	3,006	280,731
Non-current assets*	485,550	75,365	45,440	2,294	–	–	–	–	–	608,649
Capital expenditure	54,909	595	10,489	92	–	–	–	–	–	66,085

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

Major customers

Revenue from one single customer of the Group's Real Estate segment represents $11,497,000 (2016: $101,142,000) of the Group's total revenue.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

29 FINANCIAL RISK MANAGEMENT

Overview

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

- credit risk
- liquidity risk
- market risk

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

Risk management framework

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

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

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

Credit risk

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

Liquidity risk

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

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows for a period of 60 days.

The Group funds its operations through a mix of internal funds and bank borrowings, and reviews regularly its liquidity reserves comprising free cash flows from its operations and undrawn facilities from banks.

The Group has been maintaining a cash pooling system where excess liquidity is equalised internally through intercompany accounts. Depending on specifics of each funding requirement, funding for its operating subsidiaries may be sourced directly from the Group's bankers or indirectly through the Company.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

29 FINANCIAL RISK MANAGEMENT (cont'd)

Market risk

Market risk is the risk that changes in the market prices, such as interest rates, foreign exchange rates, equity prices which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations. The Group's policy is to manage interest cost by using a mix of fixed and variable rate debts.

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases, investments and borrowings including inter-company unless, purchases and inter-company balances, that are denominated in currencies other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are United States dollar (USD), Chinese renminbi (RMB), Australian dollar (AUD) and Malaysian ringgit (RM). The Group operates internationally and is exposed to foreign currency risks arising from various currency exposures. Such risks are hedged either by forward foreign exchange contracts in respect of actual or forecasted currency exposures which are reasonably certain or hedged naturally by a matching sale or purchase of a matching asset or liability of the same currency and amount.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group reviews the net foreign currency balances to ensure that its exposure is kept to an acceptable level.

Equity securities price risk

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

30 FINANCIAL INSTRUMENTS

Credit risk

Trade and other receivables, and construction-in-progress

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

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

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

* Excludes prepayments and advances

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

30 FINANCIAL INSTRUMENTS (cont'd)

Credit risk (cont'd)

Impairment losses (cont'd)

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

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

* Excludes prepayments and advances

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

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

* Excludes prepayments and advances

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

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

Fair value of collaterals

At 30 April 2017, the fair value of financial and non-financial assets accepted as collaterals that the Group is permitted to sell or repledge in the event of default by the Group's debtors was $156,702,000 (2016: $152,694,000). The amounts are derived, based on the respective net assets as stated in the latest available audited financial information. If the receivables are not paid in full by the debtors 30 days after the receipt of a demand by the Group, the Group may exercise the powers and rights of a mortgagee conferred by statute or otherwise sell or dispose of the collateral.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

30 FINANCIAL INSTRUMENTS (cont'd)

Credit risk (cont'd)

Impairment losses (cont'd)

Investments

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

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

Cash and cash equivalents

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

Liquidity risk

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

		Cash flows			
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Within 1 to 5 years $'000	More than 5 years $'000
Group					
2017					
Derivative financial instruments					
Foreign exchange contracts	(195)				
– Inflow		10,420	10,420	–	–
– Outflow		(10,615)	(10,615)	–	–
	(195)	(195)	(195)	–	–
Non-derivative financial liabilities					
Finance lease liabilities	(3,552)	(3,828)	(1,705)	(2,123)	–
Term loans	(238,825)	(296,042)	(134,646)	(144,733)	(16,663)
Notes payable	(101,919)	(102,281)	(102,281)	–	–
Trade and other payables*	(155,946)	(157,287)	(93,679)	(63,608)	–
	(500,242)	(559,438)	(332,311)	(210,464)	(16,663)
	(500,437)	(559,633)	(332,506)	(210,464)	(16,663)
2016					
Derivative financial instruments					
Foreign exchange contracts	(1,303)				
– Inflow		19,576	19,576	–	–
– Outflow		(20,879)	(20,879)	–	–
	(1,303)	(1,303)	(1,303)	–	–
Non-derivative financial liabilities					
Finance lease liabilities	(3,200)	(3,430)	(1,533)	(1,897)	–
Term loans	(344,207)	(358,162)	(205,228)	(147,494)	(5,440)
Notes payable	(101,509)	(104,953)	(4,600)	(100,353)	–
Trade and other payables*	(121,033)	(123,487)	(82,376)	(41,111)	–
	(569,949)	(590,032)	(293,737)	(290,855)	(5,440)
	(571,252)	(591,335)	(295,040)	(290,855)	(5,440)

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

30 FINANCIAL INSTRUMENTS (cont'd)

Liquidity risk (cont'd)

	Carrying amount $'000	Cash flows: Contractual cash flows $'000	Cash flows: Within 1 year $'000	Cash flows: Within 1 to 5 years $'000	Cash flows: More than 5 years $'000
Company					
2017					
Derivative financial instruments					
Foreign exchange contracts	(195)				
– Inflow		10,420	10,420	–	–
– Outflow		(10,615)	(10,615)	–	–
	(195)	(195)	(195)	–	–
Non-derivative financial liabilities					
Term loans	(63,200)	(64,680)	(64,680)	–	–
Notes payable	(101,919)	(102,281)	(102,281)	–	–
Trade and other payables*	(66,539)	(67,569)	(11,332)	(56,237)	–
Intra-group financial guarantees	–	(166,285)	(56,890)	(109,395)	–
	(231,658)	(400,815)	(235,183)	(165,632)	–
	(231,853)	(401,010)	(235,378)	(165,632)	–
2016					
Derivative financial instruments					
Foreign exchange contracts	(1,303)				
– Inflow		19,576	19,576	–	–
– Outflow		(20,879)	(20,879)	–	–
	(1,303)	(1,303)	(1,303)	–	–
Non-derivative financial liabilities					
Term loans	(90,853)	(91,577)	(91,073)	(504)	–
Notes payable	(101,509)	(104,953)	(4,600)	(100,353)	–
Trade and other payables*	(66,383)	(67,554)	(4,346)	(63,208)	–
Intra-group financial guarantees	–	(195,107)	(195,107)	–	–
	(258,745)	(459,191)	(295,126)	(164,065)	–
	(260,048)	(460,494)	(296,429)	(164,065)	–

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

30 FINANCIAL INSTRUMENTS (cont'd)

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations. The Group's policy is to manage interest cost by using a mix of fixed and variable rate debts.

Profile

At the reporting date, the interest rate profile of the interest-bearing financial instruments, as reported to the management, was as follows:

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

Fair value sensitivity analysis for fixed rate instruments

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

30 FINANCIAL INSTRUMENTS (cont'd)

Interest rate risk (cont'd)

Cash flow sensitivity for variable rate instruments

For variable rate financial assets and liabilities, an increase of 100 bp in interest rate at the reporting date would (decrease)/increase profit or loss by the amounts shown. A decrease of 100 bp in interest rate would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

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

There is no impact on equity.

Foreign currency risk

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

30 FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk (cont'd)

Sensitivity analysis

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

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

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

There is no impact on equity.

Equity securities price risk

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

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

Sensitivity analysis

A 10% increase/decrease in the underlying equity prices at the reporting date, with all other variables held constant, would increase/(decrease) profit/equity by the following amounts:

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

31 FAIR VALUES OF ASSETS AND LIABILITIES

Determination of fair value

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

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

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investment properties

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

Fair value through profit or loss – foreign exchange contracts

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

Fair value through profit or loss – convertible bond

The Group's investment in convertible bond is valued using a proprietary valuation model, developed from the Black-Scholes Model. In 2016, some of the significant inputs into this model are not observable in the market, and are derived from market prices or rates or are estimated based on assumptions.

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

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

Equity and debt securities

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

Non-derivative financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables, loans and borrowings, and notes payable) or those which reprice within six months are assumed to approximate their fair value because of the short period to maturity or repricing. All other financial assets and liabilities are discounted to determine their fair values.

Interest rates used in determining fair values

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

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

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

Accounting classifications and fair values

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

		Carrying amount							Fair value			
	Note	Loans and receivables $'000	Available-for-sale $'000	Held-to-maturity $'000	Held-for-trading $'000	Designated at fair value $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group												
30 April 2017												
Financial assets measured at fair value												
Available-for-sale financial assets, excluding unquoted equity securities held at cost	9	–	31,051	–	–	–	–	31,051	31,051	–	–	31,051
Financial assets at fair value through profit or loss	9	–	–	–	84,463	–	–	84,463	23,226	61,237	–	84,463
		–	31,051	–	84,463	–	–	115,514				
Financial assets not measured at fair value												
Associates	8	12,276	–	–	–	–	–	12,276	–	12,276	–	12,276
Restricted fixed deposits	9	84	–	–	–	–	–	84				
Held-to-maturity debt security	9	–	–	20,974	–	–	–	20,974				
Trade and other receivables, excluding prepayments and advances	11	287,373	–	–	–	–	–	287,373	–	286,518	–	286,518
Cash and cash equivalents	14	63,039	–	–	–	–	–	63,039				
		362,772	–	20,974	–	–	–	383,746				
Financial liabilities measured at fair value												
Foreign exchange contracts	20	–	–	–	–	195	–	195	–	195	–	195
Financial liabilities not measured at fair value												
Loans and borrowings	19	–	–	–	–	–	344,296	344,296	–	348,256	–	348,256
Trade and other payables*	20	–	–	–	–	–	155,946	155,946	–	154,082	–	154,082
		–	–	–	–	–	500,242	500,242				

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

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

		Carrying amount						Fair value			
	Note	Loans and receivables $'000	Available-for-sale $'000	Held-for-trading $'000	Designated at fair value $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group											
30 April 2016											
Financial assets measured at fair value											
Available-for-sale financial assets, excluding unquoted equity securities held at cost	9	–	30,892	–	–	–	30,892	30,892	–	–	30,892
Financial assets at fair value through profit or loss	9	–	–	72,573	19,577	–	92,150	18,326	54,247	19,577	92,150
		–	30,892	72,573	19,577	–	123,042				
Financial assets not measured at fair value											
Associates	8	15,772	–	–	–	–	15,772	–	15,772	–	15,772
Restricted fixed deposits	9	117	–	–	–	–	117				
Trade and other receivables, excluding prepayments and advances	11	210,842	–	–	–	–	210,842	–	210,842	–	210,842
Construction-in-progress	12	51,556	–	–	–	–	51,556	–	51,556	–	51,556
Cash and cash equivalents	14	23,088	–	–	–	–	23,088				
		301,375	–	–	–	–	301,375				
Financial liabilities measured at fair value											
Foreign exchange contracts	20	–	–	–	1,303	–	1,303	–	1,303	–	1,303
Financial liabilities not measured at fair value											
Loans and borrowings	19	–	–	–	–	448,916	448,916	–	451,866	–	451,866
Trade and other payables*	20	–	–	–	–	121,033	121,033	–	120,920	–	120,920
		–	–	–	–	569,949	569,949				

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

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

	Note	Carrying amount						Fair value			
		Loans and receivables $'000	Available-for-sale $'000	Held-for-trading $'000	Designated at fair value $'000	Other financial liabilities $'000	Total $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Company											
30 April 2017											
Financial assets measured at fair value											
Financial assets at fair value through profit or loss	9	–	–	67,213	–	–	67,213	5,976	61,237	–	67,213
Financial assets not measured at fair value											
Associates	8	12,276	–	–	–	–	12,276	–	12,276	–	12,276
Trade and other receivables, excluding prepayments and advances	11	402,058	–	–	–	–	402,058	–	400,021	–	400,021
Cash and cash equivalents	14	322	–	–	–	–	322				
		414,656	–	–	–	–	414,656				
Financial liabilities measured at fair value											
Foreign exchange contracts	20	–	–	–	195	–	195	–	195	–	195
Financial liabilities not measured at fair value											
Loans and borrowings	19	–	–	–	–	165,119	165,119	–	165,119	–	165,119
Trade and other payables*	20	–	–	–	–	66,539	66,539	–	66,332	–	66,332
		–	–	–	–	231,658	231,658				

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

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

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

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

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

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

Valuation techniques and significant unobservable inputs

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

Assets and liabilities measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group			
Fair value through profit or loss			
– Convertible bond	As at 30 April 2016 Proprietary valuation model, developed from the Black-Scholes Model: The valuation model includes the utilisation of the adjusted net asset value of Blackgold International Holdings Limited, forecasted USD: SGD and AUD: SGD exchange rates, and applying a probability weighting to the fair value of the possible outcomes of the transaction (see note 9).	As at 30 April 2016 • Adjusted net asset value of Blackgold International Holdings Limited • Discount for lack of marketability: 30% • Discount for lack of control: 60.12% • Probability weighting applied of 0%	The estimated fair value would increase/(decrease) if: • the adjusted net asset value of Blackgold International Holdings Limited was higher/(lower); • the discount for lack of marketability was lower/(higher); • the discount for lack of control was lower/(higher); and • the probability weighting applied was higher/(lower).
Investment properties			
– Industrial factory	Discounted cash flows: The valuation model estimates and projects an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value.	• Discount rate: 5.96% (2016: 6.17%) • Rental rates: $49 to $87 (2016: $52 to $89) per square metre per annum	The estimated fair value would increase/(decrease) if: • the discount rate was lower/(higher); and • the rental rate was higher/(lower).
– Commercial property	Market comparison approach: The valuation model analyses comparable sales of similar properties and adjusting the sale prices to be reflective of the investment properties.	• 2016: In-house adjustments made by valuer on comparable prices of $18,686 to $37,265	The estimated fair value would increase/(decrease) if the adjustments and comparable prices were higher/(lower).
– Residential property	Market comparison approach: The valuation model analyses comparable sales of similar properties and adjusting the sale prices to be reflective of the investment properties.	• In-house adjustments made by valuer on comparable prices of $2,834 to $5,242 (2016: $3,625 to $4,446) per square metre • Estimated cost to complete the construction	The estimated fair value would increase/(decrease) if: • the adjustments and comparable prices were higher/(lower); and • the estimated cost to complete the construction was lower/(higher).

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

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

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

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

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Group and Company		
Associates	Discounted cash flows*	Not applicable
Held-to-maturity debt security	Discounted cash flows*	Not applicable
Trade and other receivables	Discounted cash flows*	Not applicable
Loans and borrowings	Discounted cash flows*	Not applicable
Trade and other payables	Discounted cash flows*	Not applicable

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

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

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

Reconciliation of Level 3 fair value

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

	Fair value through profit or loss – convertible bond $'000	Investment properties $'000	Total $'000
At 1 May 2016	19,577	250,426	270,003
Purchases	–	9,027	9,027
Total gains or losses recognised in profit or loss			
– finance income	1,407	–	1,407
– changes in fair value recorded in "other income"	–	2,330	2,330
Disposal of subsidiary	–	(140,000)	(140,000)
Translation differences	(10)	(5,487)	(5,497)
Modification of terms and reclassification to held-to-maturity debt security (note 9)	(20,974)	–	(20,974)
At 30 April 2017	–	116,296	116,296
At 1 May 2015	26,471	102,474	128,945
Reclassification from development properties	–	140,000	140,000
Purchases	–	10,411	10,411
Total gains or losses recognised in profit or loss			
– finance income	1,411	–	1,411
– changes in fair value recorded in "other income"	–	5,053	5,053
– changes in fair value recorded in "other operating expenses"	(7,582)	–	(7,582)
Interest received	(1,051)	–	(1,051)
Translation differences	328	(7,512)	(7,184)
At 30 April 2016	19,577	250,426	270,003

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

31 FAIR VALUES OF ASSETS AND LIABILITIES (cont'd)

Reconciliation of Level 3 fair value (cont'd)

Sensitivity analysis

For the fair values of convertible bond and investment properties, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would increase/(decrease) profit or loss by the amounts shown.

	Group Profit or loss	
	Increase $'000	**Decrease $'000**
30 April 2017		
Investment properties		
– Discount rate (1% movement)	(3,164)	3,164
– Rental rates (5% movement)	3,142	(3,142)
– Comparable prices (5% movement)	3,604	(3,604)
– Estimated cost to complete the construction (5% movement)	(189)	189
30 April 2016		
Fair value through profit or loss – convertible bond		
– Adjusted net asset value of Blackgold International Holdings Limited (10% movement)	1,525	(1,525)
– Discount for lack of marketability (5% movement)	(1,089)	1,089
– Discount for lack of control (5% movement)	(1,912)	1,912
– Probability weighting applied (10% movement)	2,284	–
Investment properties		
– Discount rate (1% movement)	(6,597)	6,597
– Rental rates (5% movement)	2,758	(2,758)
– Comparable prices (5% movement)	10,687	(10,687)
– Estimated cost to complete the construction (5% movement)	(941)	941

There is no impact on equity.

32 ACQUISITION OF SUBSIDIARIES

(a) Celestine Management Private Limited

On 20 January 2017, the Company acquired 50% of the shares and voting interests in Celestine Management Private Limited (Celestine) for a total consideration of $1. As a result, the Group's equity interest in Celestine increased from 50% to 100%, obtaining control of Celestine.

The principal activities of Celestine are those relating to the provision of real estate management services.

Revenue and profit contribution

From the date that the Group assumed control to 30 April 2017, Celestine contributed losses of $137,000 to the Group's results. As Celestine has not commenced its business, no revenue was recognised. If the acquisition had occurred on 1 May 2016, there would have been no impact to the consolidated revenue and Group results for the year ended 30 April 2017.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

32 ACQUISITION OF SUBSIDIARIES (cont'd)

(a) Celestine Management Private Limited (cont'd)

Consideration transferred

	$'000
Effect on cash flows of the Group	
Cash paid	*
Less: Cash and cash equivalents in subsidiary acquired	56
Cash inflow on acquisition	56

	At fair value $'000
Identifiable assets acquired and liabilities assumed	
Other receivables	514
Cash and cash equivalents	56
Total assets	570
Other payables	10
Total liabilities	10
Total net identifiable assets	560
Less: Negative goodwill on acquisition	(280)
Less: Fair value of existing interest	(280)
Total consideration transferred	*

* $1 or immaterial.

Measurement of fair value for material assets acquired and liabilities assumed

The other receivables comprise mainly the loan to the Company which approximate fair value.

33 ACQUISITION OF NON-CONTROLLING INTERESTS

(a) Legend Capital Gain Inc.

On 10 August 2016, the Group acquired additional effective interest of 39.66% in Legend Capital Gain Inc. for a consideration of $1,091,000 in cash and assignment of $1,364,000 loan, increasing its effective interest in the subsidiary from 60.34% to 100%. The carrying amount of Legend Capital Gain Inc.'s net liabilities in the consolidated financial statements on the date of acquisition was $229,000. The Group recognised a decrease in non-controlling interests and a decrease in other reserves of $1,182,000, being the excess of the net assets acquired over the cost of the acquisition.

The following summarises the effect of changes in the Group's (parent) ownership interest in Legend Capital Gain Inc.:

	Group $'000
Parent's ownership interest at beginning of the year	1,154
Capital injection during the year	1,092
Effect of increase in parent's ownership interest	(1,182)
Share of other comprehensive income	(1,190)
Parent's ownership interest at end of the year	(126)

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

33 ACQUISITION OF NON-CONTROLLING INTERESTS (cont'd)

(b) Advanced Resources Capital Holding Limited

On 13 October 2016, the Group increased its effective interest in the subsidiary, Advanced Resources Capital Holding Limited (ARCHL) from 75.65% to 100%, as a result of unconditional withdrawal by the non-controlling shareholder.

The carrying amount of ARCHL's net assets in the consolidated financial statements on the date of acquisition was $340,000. The Group recognised a decrease in non-controlling interests and an increase in other reserves of $83,000, being the excess of the net assets acquired over the cost of the acquisition.

The following summarises the effect of changes in the Group's (parent) ownership interest in ARCHL:

	Group **$'000**
Parent's ownership interest at beginning of the year	1,197
Effect of increase in parent's ownership interest	83
Share of comprehensive income	(1,483)
Parent's ownership interest at end of the year	(203)

(c) Fervent Industrial Development (Suzhou) Co., Ltd

In May 2016, the Group acquired additional effective interest of 15.83% in Fervent Industrial Development (Suzhou) Co., Ltd for a consideration of $10,678,000 in cash, increasing its effective interest in the subsidiary from 32.17% to 48.00%. The carrying amount of Fervent Industrial Development (Suzhou) Co., Ltd's net assets in the consolidated financial statements on the date of acquisition was $19,667,220. The Group recognised a decrease in non-controlling interests and an increase in other reserves of $871,000, being the excess of the net assets acquired over the cost of the acquisition.

In August 2015, the Group acquired additional effective interests of 2.17% in Fervent Industrial Development (Suzhou) Co., Ltd for a consideration of $547,000 in cash, increasing its effective interest in the subsidiary from 30.00% to 32.17%. The carrying amount of Fervent Industrial Development (Suzhou) Co., Ltd's net assets in the consolidated financial statements on the date of acquisition was $17,434,000. The Group recognised a decrease in non-controlling interests and an increase in other reserves of $130,000, being the excess of the net assets acquired over the cost of the acquisition.

The following summarises the effect of changes in the Group's (parent) ownership interest in Fervent Industrial Development (Suzhou) Co., Ltd:

	Group	
	2017 **$'000**	**2016** **$'000**
Parent's ownership interest at beginning of the year	8,939	6,863
Capital injection during the year	10,678	1,094
Effect of increase in parent's ownership interest	871	130
Share of comprehensive income	390	852
Parent's ownership interest at end of the year	20,878	8,939

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

34 DISPOSAL OF INTERESTS IN SUBSIDIARIES

(a) Disposal of interest in a subsidiary without loss of control

Sinolink Finance International Limited

On 13 October 2016, the Group disposed of a 49% equity interest out of the 100% equity interest held in Sinolink Finance International Limited at a consideration of $279,000. This resulted in an increase in equity attributable to owners of the parents of $142,000.

(b) Disposal of interest in a subsidiary resulting in loss of control

Ececil Pte. Ltd.

On 14 September 2016, the Group dispose of 30.6% of its controlling interest out of the 51% interests in Ececil Pte. Ltd. at a consideration of $25,500,000. This resulted in a loss of disposal of $8,182,000 recognised in profit or loss (disclosed in note 26).

35 NON-CONTROLLING INTERESTS

The following subsidiaries have non-controlling interests that are material to the Group:

Name of subsidiary	Principal place of business/country of incorporation	Operating segment	Ownership interests held by non-controlling interests 2017 %	2016 %
LTH Logistics (Singapore) Pte Ltd (LTH)	Singapore	Freight and logistics	49	49
Sabana Real Estate Investment Management Pte. Ltd. (SREIM)	Singapore	Financial services	49	49
Sinolink Financial Leasing Co., Ltd (Sinolink)	People's Republic of China	Financial services	49	54.4
Fervent Industrial Development (Suzhou) Co., Ltd (Fervent)	People's Republic of China	Real estate	52	67.8
DP-Master-Vibrant (Jiangyin) Real Estate Development Co., Ltd (DP-Master)	People's Republic of China	Real estate	64	64
Saujana Tiasa Sdn Bhd (Saujana)	Malaysia	Real estate	50	50
Vibrant DB2 Pte. Ltd. (Vibrant DB2)	Singapore	Real estate	49	49
Shentoncil Pte. Ltd. (Shentoncil)	Singapore	Real estate	49	49
Ececil Pte. Ltd. (Ececil)	Singapore	Real estate	–	49
Lee Thong Hung Trading & Transport Sdn Bhd (LTHM)	Malaysia	Freight and logistics	49.2	49.2
Glory Capital Pte Ltd (GCPL)	Singapore	Financial leasing	35	35

35 NON-CONTROLLING INTERESTS (cont'd)

The following summarised financial information for the above subsidiaries are prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	LTH $'000	SREIM $'000	Sinolink $'000	Fervent $'000	DP-Master $'000	Saujana $'000	Vibrant DB2 $'000	Shentoncil $'000	GCPL $'000	Other individually immaterial subsidiaries $'000	Intra-group elimination $'000	Total $'000
2017												
Revenue	45,460	4,006	1,483	725	13,455	–	–	–	9,844			
Profit/(loss) after tax	200	1,190	(2,316)	(853)	1,488	(1,472)	58,000	3,290	5,285			
Other comprehensive income	–	–	(646)	(572)	(1,184)	(1,388)	–	–	–			
Total comprehensive income	200	1,190	(2,962)	(1,425)	304	(2,860)	58,000	3,290	5,285			
Attributable to non-controlling interests:												
– Profit/(loss) after tax	98	583	(1,135)	(444)	952	(736)	28,420	1,612	1,850	(2,268)	(11,881)	17,051
– Other comprehensive income	–	–	(317)	(297)	(757)	(694)	–	–	–	84	(246)	(2,227)
Total comprehensive income	98	583	(1,452)	(741)	195	(1,430)	28,420	1,612	1,850	(2,184)	(12,127)	14,824
Non-current assets	129,051	18,849	9,213	49,345	30,854	67,063	–	16,476	15,726			
Current assets	37,290	2,219	20,419	516	68,888	46	126,077	161	1,509			
Non-current liabilities	(87,115)	–	(863)	(17,316)	(19,418)	(1,274)	–	–	(6,470)			
Current liabilities	(73,023)	(4,050)	(2,140)	(7,867)	(30,775)	(45,985)	(64,853)	(4)	(1,205)			
Net assets	6,203	17,018	26,629	24,678	49,549	19,850	61,224	16,633	9,560			
Net assets attributable to non-controlling interests	3,039	8,339	13,048	12,833	31,712	9,925	30,000	8,150	3,346	4,726	(31,105)	94,013
Cash flows from operating activities	9,875	(2,733)	(10,918)	(2,334)	57,385	–	(23,109)	(4,145)	35,102			
Cash flows from investing activities	(3,159)	(544)	–	(7,012)	(46,884)	–	16,100	22,999	–			
Cash flows from financing activities (dividends to non-controlling interests: $nil)	(6,002)	3,048	10,530	(9,410)	1,446	–	7,000	(18,732)	(34,880)			
Net increase/(decrease) in cash and cash equivalents	714	(229)	(388)	(18,756)	11,947	–	(9)	122	222			

35 NON-CONTROLLING INTERESTS (cont'd)

	LTH $'000	SREIM $'000	Sinolink $'000	Fervent $'000	DP-Master $'000	Saujana $'000	Vibrant DB2 $'000	Shentoncil $'000	Ececil $'000	Other individually immaterial subsidiaries $'000	Intra-group elimination $'000	Total $'000
2016												
Revenue	42,408	6,090	1,672	245	101,142	–	–	–	–			
(Loss)/profit after tax	(407)	608	880	4,794	8,679	(1,601)	(4,104)	(956)	22,350			
Other comprehensive income	–	–	(670)	(626)	(1,969)	(2,047)	–	–	–			
Total comprehensive income	(407)	608	210	4,168	6,710	(3,648)	(4,104)	(956)	22,350			
Attributable to non-controlling interests:												
– (Loss)/profit after tax	(199)	298	478	3,252	5,555	(801)	(2,011)	(468)	10,951	138	1,542	18,735
– Other comprehensive income	–	–	(364)	(425)	(1,260)	(1,024)	–	–	–	(73)	874	(2,272)
Total comprehensive income	(199)	298	114	2,827	4,295	(1,825)	(2,011)	(468)	10,951	65	2,416	16,463
Non-current assets	130,146	15,655	11,694	43,296	565	71,437	16,100	22,877	140,000			
Current assets	31,842	1,640	13,524	478	95,382	49	39,217	12,680	95			
Non-current liabilities	(30,230)	–	(1,999)	(11,902)	(27,100)	(1,357)	–	–	(82,500)			
Current liabilities	(125,756)	(1,437)	(702)	(12,293)	(21,032)	(47,435)	(52,093)	(22,214)	(12,903)			
Net assets	6,002	15,858	22,517	19,579	47,815	22,694	3,224	13,343	44,692			
Net assets attributable to non-controlling interests	2,941	7,770	12,238	13,281	30,601	11,347	1,580	6,538	21,899	6,853	(34,760)	80,288
Cash flows from operating activities	1,570	(2,634)	426	(559)	(23,634)	(1,455)	541	–	(4,189)			
Cash flows from investing activities	(766)	2,060	(3,932)	(9,433)	1,452	1,452	(13,262)	(4,144)	–			
Cash flows from financing activities (dividends to non-controlling interests: $nil)	(522)	–	–	9,554	23,739	–	12,732	4,144	4,144			
Net increase/(decrease) in cash and cash equivalents	282	(574)	(3,506)	(438)	1,557	(3)	11	–	(45)			

Notes to the Financial Statements (cont'd)
Year ended 30 April 2017

36 COMMITMENTS

Capital commitments

	2017 $'000	2016 $'000
Expenditure contracted for:		
– Property, plant and equipment	2,974	244
– Investment properties	–	1,615
	2,974	1,859

Capital commitments relate to outstanding contracts in respect of the purchase consideration payable for the 18 units of trucks in Malaysia (2017), the development of a bromine warehouse at Banyan Drive, Jurong Island, Singapore (2016 and 2017) and industrial development project in Changshu, China (2016).

Operating lease commitments

The Group leases a number of leasehold properties under operating leases. The leases typically run for an initial period of 1 to 60 years, with an option to renew the lease after that date. Lease payments are usually increased annually to reflect market rentals.

At 30 April 2017, the Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2017 $'000	2016 $'000
Within 1 year	14,234	14,636
After 1 year but within 5 years	12,965	13,858
After 5 years	107,927	124,808
	135,126	153,302

The Group leases out its investment properties. The leases run for a period of 5 to 10 years, with an option to renew the lease after that date. There are also no contingent rental arrangements and fixed rental escalation clauses.

At 30 April 2017, the future minimum lease receivable under non-cancellable operating leases contracted for but not recognised as receivables, are as follows:

	Group	
	2017 $'000	2016 $'000
Within 1 year	2,198	695
After 1 year but within 5 years	11,181	3,066
After 5 years	9,609	837
	22,988	4,598

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

37 CONTINGENT LIABILITIES (UNSECURED)

Intra-group financial guarantees comprise corporate guarantees amounting to $166,285,000 (2016: $195,107,000) granted by the Company to banks in respect of banking facilities to secure banking facilities provided to certain subsidiaries. The financial guarantees will expire when the loans have been paid and discharged and/or when the banking facilities are no longer available to the subsidiaries. These financial guarantee contracts are accounted for as insurance contracts.

The periods in which the financial guarantees expire are as follows:

	Company	
	2017	**2016**
	$'000	**$'000**
Within 1 year	56,890	69,858
After 1 year but within 5 years	109,395	94,952
After 5 years	–	30,297
	166,285	195,107

As at 30 April 2017, the Group has also extended $16,830,000 (2016: $nil) of corporate guarantee to its associate Ececil Pte. Ltd. The corporate guarantee will expire within 1 year.

The principal risk to which the Company is exposed is credit risk in connection with the guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the subsidiaries or associate which the guarantees were given on behalf of.

To mitigate this risk, the Company continually monitors the risks and has established processes including performing evaluation of the subsidiaries and associate's profitability that it is providing guarantee on behalf of.

There are no terms and conditions attached to the guarantee contracts that would have a material effect on the amount, timing and uncertainty of the Company's future cash flows and the Company only issue guarantees to its subsidiaries and related entities.

The intra-group financial guarantees for subsidiaries are eliminated in preparing the consolidated financial statements. Estimates of the Company's obligation arising from financial guarantee contracts may be affected by future events, which cannot be predicted with any certainty. The assumptions made may well vary from actual experience so that the actual liability may vary considerably from the best estimates.

In addition, the Company has undertaken to provide financial support to certain of its subsidiaries for the next twelve months. The net current liabilities/net liabilities of these entities which are included in the consolidated financial statements as at 30 April 2017 amounted to $378,647,000 (2016: $271,381,000).

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

38 RELATED PARTIES

Key management personnel compensation

Key management personnel of the Group and Company is defined as persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including directors and officers of the Group and Company.

Key management personnel compensation comprised:

	Group	
	2017	**2016**
	$'000	**$'000**
Short-term employee benefits	4,263	4,019
Long-term employee benefits	87	87
Defined contribution plans	253	218
	4,603	4,324

Other related party transactions

During the year, other than those disclosed elsewhere in the financial statements, there were the following significant related party transactions carried out in the normal course of business on terms agreed between the parties:

	Group	
	2017	**2016**
	$'000	**$'000**
Purchases from a related party	4,051	46,077
Professional fees paid to TSMP Law Corporation	67	26

Mr Derek Loh Eu Tse is a director of the Company and is a shareholder and director of TSMP Law Corporation.

39 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Measurement of recoverable amounts and useful lives of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expenses to be recorded for each financial year. Changes in the expected level of use of the assets and the Group's historical experience with similar assets, after taking into account anticipated technological changes, could impact the economic useful lives and the residual values of the assets; therefore future depreciation charges could be revised. Any changes in the economic useful lives could impact the depreciation charge and consequently affect the Group's results. The residual value is reviewed at each reporting date, with any changes in estimate accounted for prospectively.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

39 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

Key sources of estimation uncertainty (cont'd)

Impairment of subsidiaries

The Company assesses at the end of each financial year whether there is any indication of impairment on its subsidiaries. This assessment takes into account the market value of the subsidiaries, changes in the technological, market, economic or legal environment in which the subsidiaries operate in and changes to the market interest rates. The recoverable amounts of the subsidiaries were determined based on fair value less costs to sell, i.e. adjusted net assets of the subsidiaries was used as a proxy. If the financial conditions of the subsidiaries were to deterioriate, impairment may need to be recognised.

Impairment of associates

The Group evaluates annually whether there is any objective evidence that the convertible loans and RCCPS in associates, and investment in associates are impaired, and determines the amount of impairment loss, if any, as a result of the associates' inability to make the repayments. The Group determines the estimates based on historical repayments, financial performance and the quality of the assets of the associates. If the financial conditions of the associates were to deteriorate, impairment may need to be recognised.

Impairment of doubtful receivables, construction-in-progress and held-to-maturity debt security

The Group follows the guidance of FRS 39 *Financial Instruments: Recognition and Measurement* in determining when a financial asset is other than temporarily impaired. The Group evaluates whether there is any objective evidence that trade receivables and construction-in-progress are impaired, and determines the amount of impairment loss as a result of the inability of the customers or counterparties to make required payments. The Group determines the estimates based on the ageing of trade receivables, credit-worthiness, and historical write-off experience. Management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's trade and other receivables, and construction-in-progress. If the financial conditions of the customers or counterparties were to deteriorate, actual write-offs would be higher than estimated.

Assessment of risk of foreseeable losses

The Group assesses at every reporting date whether any allowance for foreseeable losses is required on properties in the course of development - unsold properties. The allowance for foreseeable losses is estimated after taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred, taking into consideration historical trends of the amounts incurred. As at the reporting date, no allowance for foreseeable losses is recognised.

Valuation of investment properties

The Group's investment properties are stated at fair value based on independent professional valuations. In determining the fair value, the valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include comparable sales, discount rate and rental rates, as well as estimated costs to complete in relation to investment properties under development. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions.

Valuation of convertible bond

The Group's investment in convertible bond is valued using a proprietary valuation model, developed from the Black-Scholes Model. Such valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used, determination of the probability weighting to be applied as well as the derivation of the fair values of the respective outcomes, determination of the adjusted net asset value, probability of counterparty default and appropriate discount rates.

Notes to the Financial Statements (cont'd)

Year ended 30 April 2017

39 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

Key sources of estimation uncertainty (cont'd)

Valuation of development properties

The Group estimates the net realisable value of completed units and properties under development, by making references to comparable properties, location of property, management's expected selling price and estimated development expenditure. Market condition may, however, change which may affect the future selling prices of the remaining unsold units of the development properties and accordingly, the carrying value of development properties for sale may have to be written down in future periods.

Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made certain judgements, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

Classification of leasehold properties, investment properties and development properties

In assessing the classification of properties, management considers its intention with regards to the use of the properties, i.e. held for own use; held to earn rental or for capital appreciation or both; or held with the intention of development and sale in the ordinary course of business. Where there is a change in intended use, a change in classification may be required.

Determination of enforceable right to payment

In relation to revenue recognition for the Group's development properties and construction-in-progress, management obtained advice from legal and professional advisors and exercised judgement in determining whether the Group has an enforceable right to payment for performance completed to date.

Impairment of available-for-sale financial assets

The Group follows the guidance of FRS 39 *Financial Instruments: Recognition and Measurement* in determining whether there is objective evidence that the available-for-sale financial assets are impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investment, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

40 SUBSEQUENT EVENTS

On 3 May 2017, the Company entered into a placement agreement with Mr Teo Kee Bock to allot and issue an aggregate of 70,000,000 new ordinary shares in the share capital of the Company at S$0.38 for each Placement share with an aggregate consideration of S$26,600,000. The placement shares was completed on 25 May 2017 and the total number of issued shares subsequent to the issue of the placement shares issued increased from 605,429,955 ordinary shares to 675,429,955 ordinary shares.

On 29 May 2017, the Group successfully redeemed the outstanding fixed rate notes issued on 29 May 2013 with a principal amount of S$100,000,000. Accordingly, there are no Notes outstanding subsequent to the year end.

On 13 July 2017, the Board of Directors announced that the Group has been successfully implemented the Scheme of Arrangement and the Group now holds all the ordinary shares in Blackgold International Holdings Limited (BGG). The Scheme Consideration of A$0.045 for each Scheme Shares has been paid to shareholders on 13 July 2017 and BGG becomes a wholly-owned subsidiary of the Group.

On 14 July 2017, the Group announced that it has through its wholly-owned subsidiary, Freight Links Express Pte Ltd ("Freight Links Express") incorporated an associate, Wagon Links Pte Ltd ("Wagon Links") in Singapore. Wagon Links, which is registered with an initial capital of US$300,000, is 40% owned by the Group through its subsidiary, Freight Links Express.

On 31 July 2017, the Board of Directors announced that an indirect subsidiary, 瑞金市中达商业保理有限公司 ("瑞金市中达"), has been incorporated on 27 July 2017 as a limited liability company in JiangXi Province, China. The subsidiary, which is registered with an initial capital of S$20,200,000, is 51% owned by the Group through its subsidiary, Sinolink Financial Leasing Co., Ltd.