The **Right**
DIRECTION

Annual Report 2013

Freight Links Express Holdings Limited

About the Freight Links Group

Since its establishment in 1981, the Freight Links Group has grown and made significant strides in transforming itself into a dynamic organisation with diversified business interests. In addition to being a leading logistics solutions specialist, Freight Links Group has successfully ventured into becoming a real estate fund and property manager and an investment group focused on long-term growth and value creation.

CONTENTS

Over the years, **Freight Links** has made important strides into becoming a bigger and more dynamic organisation.

The paths we took and grounds we covered – that is, all our efforts to drive growth through our core logistics business and strategic investments – all point towards our ultimate goal: to create long-term value.

Areas of Expertise

OUR BUSINESS LINES

INTERNATIONAL FREIGHT FORWARDING

Freight Links is a market leader in the non-vessel operating common carrier ("NVOCC") business supported by a global network of owned offices and 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 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.

WAREHOUSING AND LOGISTICS

The Group's warehousing and logistics business unit oversees its property and real estate development, and provides integrated logistics services at its strategically located facilities in Singapore, Malaysia, Dubai, Korea and China. 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 vendor hub services, air-conditioned temperature control storage, transportation and distribution, online inventory management, and has the expertise to create customised space solutions from build to suit, as well as management expertise.

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, drumming, chemical transportation in bulk tankers and ISO-tanks containers, container haulage, plant management logistics, emergency recovery services and safety escort services. This business is supported by the technical knowledge of its well-trained workforce as well as infrastructure of two chemical warehouse hubs with 12,000 pallet positions, 218 prime-movers and trucks, 781 trailers and more than 230 ISO-tanks.

DOCUMENT STORAGE AND RECORDS MANAGEMENT SERVICES

The Group offers document storage and retrieval, safe document destruction and urgent document retrieval. 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.

FINANCIAL SERVICES

Freight Links is the sponsor and largest unit holder of Sabana Shari'ah Compliant Real Estate Investment Trust ("Sabana REIT"), which is the world's largest Shari'ah compliant REIT, with total assets exceeding S$1.0 billion, and which units are listed on the SGX-ST. Sabana REIT was established principally to invest in income-producing real estate and real estate-related assets in line with Shari'ah investment principles.

Freight Links provides real estate fund and property management services to Sabana REIT through its majority control of Sabana Investment Partners Pte Ltd.

As Islamic finance and investment is growing in importance across Asia and globally, Sabana REIT's compliance with Shari'ah investment principles provides it wider access to Islamic equity funding and broader investor appeal from Islamic investors.

Freight Links also has an interest in a fund management company Sentosa Capital Pte Ltd whose principal objective is to seek and maximise absolute returns in the Asian credit markets through multi-currency debt instruments.

OTHER INVESTMENTS

The Group also engages in proprietary investment activities, with a portfolio comprising listed and unlisted securities, structured equity and debt products.

STRENGTHEN OUR CORE COMPETENCIES

Through cutting-edge capabilities and a comprehensive, reliable logistics infrastructure, we can run the extra mile to respond our clients' supply chain needs regardless of the level of complexity.

GROUP REVENUE

S$171M | +14.5% YOY

S$64.3M	S$42.3M	S$56.4M	S$8.0M
Freight Forwarding	Warehousing & Logistics	Chemical Storage & Logistics	Management Fees Business


MUTO
MUKU 115206 0
22T6
RID / ADR
UN PORTABLE TANK T11
TC IMPACT APPROVED
25 cbm
4 Bar
CIMC

Chairman's Message 主席致辞

A GOOD PLATFORM FOR GROWTH

The results for the financial year ended 30 April 2013 has exceeded management's initial estimates and I am pleased to say that the Group had outstanding performance in both turnover as well as a record profit during this financial year. The Group's revenue was $171.1 million, an increase of 14.5% or $21.7 million from $149.4 million in the previous financial year. Net profit attributable to shareholders was $38.4 million for the financial year ended 30 April 2013, an increase of 19.2% or $6.1 million, from the preceding year. This higher net profit was on the back of increased revenue from warehousing and chemical logistics businesses, and fair value gains on the Group's investment in Sabana REIT units and Sentosa Asian Credit Offshore Feeder Fund. Accordingly, earnings per share for the financial year 2013 rose 13.3% from 1.43 cents in the preceding year to 1.62 cents.

Shareholders' funds also increased to $231.9 million as at 30 April 2013 from $183.4 million as at 30 April 2012. As a consequence, the net asset value per ordinary share of the Group increased to 9.56 cents as at 30 April 2013 from 7.99 cents as at 30 April 2012. The improved performance over the past few years has allowed the Group to build a healthy balance sheet with cash and cash equivalents of $39.2 million and a net gearing of 0.30 times.

KEY DEVELOPMENTS

The construction of the Group's new integrated chemical logistics hub at Banyan Drive, Jurong Island, costing $150 million with a total gross floor area of about 700,000 square feet remains on schedule to be completed by the end of 2013. The Building and Construction Authority has issued a temporary occupation licence for open yard and bromine storage area enabling the easier usage and development of the project.

As part of the Group's strategy to grow the logistics infrastructure and business, management is constantly searching for the best opportunities and this includes identifying land with strong potential returns as well as redevelopment of our existing warehouse facilities.

In April 2012, the Group incorporated Muto Global Pte Ltd to expand into ISO-tank operation business. In order to cater to demand, the Group has invested US$20 million to acquire new ISO tanks. Currently we are managing more than 2,200 units ISO tanks in Asia, with plan to increase the fleet size.

The Group has made improved inroads into various markets, including China & Middle East through its investments and joint ventures, which has enabled the Group to tap these emerging markets and gain a foothold to venture into complementary growth areas.

In May 2013, Freight Links has successfully issued an aggregate principal amount of S$100.0 million 4.6% Fixed Rate Notes due in 2017 under the S$400 million Multicurrency Medium Term Note Programme. There was strong and robust demand for the Notes across institutional investors, banks and private banking investors. The Notes were oversubscribed by 13 times with over S$1.3 billion order book. This is our maiden note issue and it reflects the confidence shown by both investors and financial institutions. The success of the exercise has allowed the Group to fortify its financial strength to enhance management's implementation of our strategy in the coming year.

OUR STRATEGY

The Group's primary strategy remains as that of strengthening and expanding its business in its core competencies, while exploring new opportunities for diversification and investments to sustain long-term growth and to broaden its revenue and earnings base.

The Group will continue to rely on its financial strength to explore and exploit other related business activities and investment opportunities to achieve the Group's primary strategy. Presently, the Group has multiple revenue sources including asset-based income, service fees as well as trading profits. The Group has further identified financial services and the real estate business as a key potential growth area, and its proposed inclusion as part of the Group's core business represents an additional direction for the Group and reflects the Group's commitment to diversify its revenue and business base to enhance future growth.

The financial services and real estate business has the potential to be a source of stable revenue for the Group, and will reduce the potential of over-reliance on the provision of logistics services which is heavily dependent on and influenced by global trade activities.

SHAREHOLDER VALUE FOCUS

Notwithstanding uncertainties, the Company has made new investments to complement its existing core businesses. These investments have allowed management to achieve greater value for both the Group and its shareholders. Our results are a testament to management's planning and enterprise in diversifying into and investing in areas of good potential growth. The improvement in shareholder value remains our top priority and primary goal and I am certain that management will continue to strive to do their best for shareholders.

DIVIDEND

In light of the good results, the Board has recommended a first and final tax-exempt one-tier dividend of 0.5 cent per ordinary share which will amount to a total dividend payment of $12.128 million, subject to the shareholders' approval at the forthcoming Annual General Meeting. This will be the highest ever dividend payout to the shareholders since its listing in 1995.

KHUA HOCK SU | 柯福赐
Group Chairman | 集团主席

This proposed dividend represents 30.9% of our earnings, and is 11.1% higher than last year's dividend of 0.45 cent per share. Under the Company's Scrip Dividend Scheme (as adopted at the extraordinary general meeting of the Company held on 31 August 2010), shareholders entitled to this dividend may elect to receive the dividend either fully in cash or fully in an allotment of ordinary shares in the Company credited as fully paid in lieu of cash.

LOOKING AHEAD

There are key developments in the global economy as well as in Singapore that may pose challenges to the Group's performance. The possible tapering to the Quantitative Easing programme by the US Federal Reserve as well as the apparent change in China's growth paradigm and strategy create an volatile and uncertain environment and could affect global growth. The possible tightening of the labour market in Singapore and the consequent increase in wage costs could also affect the Group. Nonetheless, the Group is cautiously optimistic about its business prospects and will continue to exercise vigilance in keeping operating costs under control and will monitor the economic environment with care. The Group will continue with its primary strategy to strengthen and expand its core businesses and to explore other viable investment opportunities.

APPRECIATION

Lastly, on behalf of the Board, I must thank all our valued customers, clients, shareholders, partners and business associates for their unstinting and unwavering support as well as the confidence and trust they have reposed in us. I would also like to thank my fellow Board members, management and staff for their contributions, hard work and dedication.

Thank you.

Khua Hock Su
Group Chairman

2013财政年度的业绩超过管理层的预期估计，我很高兴地宣布本财政年度，集团营业额及净利润皆创下历史新高。集团营业收入达到1亿7,110万新元，相比上一年度的1亿4,940万元增长了2,170万元，取得14.5%的增长。仓储业务的扩大，以及《胜宝工业房地产基金信托》和《圣淘沙亚洲信用基金》投资皆收到良好收益，截止2013年4月30日，公司取得3,840万元的净利润额，较去年同期增长了610万元，增长率高达19.2%。每股盈利1.62分，相比去年的1.43分，上升13.3%。

股东资金从2012年4月30日的1亿8,340万元增长到2亿3,190万元。公司每股净资产从去年的7.99分增长到9.56分。在过去十年的稳健的增长下，集团已建立一个强有实力的财务资产负债表，现金及现金等值高达3,920万新元，净负债比率为0.3倍。

主要发展

位于裕廊岛邦岩道，总投资1.5亿新元，建筑面积约70万平方尺的综合性化工物流枢纽中心，即将在2013年底完成。配合项目开发的进度，部分临时使用许可证已经获得，露天堆场和存储区域也已有序的展开化工业务。

发展物流基础设施是集团的策略发展方向之一。管理层会继续建设新的物流基础设施，包括在集团现有仓储设施，重新规划，增加建筑使用面积，增加效率及提高生产力。

在2012年4月，集团注册成立MUTO环球有限公司经营罐式集装箱（ISO tank）租赁销售业务。随着客户强劲需求，集团投资2,000万美元购买新建罐式集装箱。目前公司经营超过2,200台的罐式集装箱，遍布亚洲。同时，公司也在计划扩大其经营规模。

通过直接投资或合资方式开发新兴市场包括在中国和中东，这些投资项目也开拓新的互补增长领域，提供更多的商业机会。

今年5月，公司成立4亿新元的多货币中期债券方案。接着，集团发行固定年率4.6%四年期1亿新元债券，获得市场，尤其是机构投资者，私人银行高端客户的热烈响应，债券超额认购达13倍达到13亿新元。首次发行债券获得成功，肯定了投资者和金融机构给予我们的信心，巩固集团强有实力的财务状况，更有效配合管理层稳健实施企业未来策略。

发展策略

在加强和扩大优势业务的同时，集团不断的探索多样化的投资机会，并稳健发展增加集团的收入和利润。集团将以其充裕资金为依托，充份把握相关业务和投资机会以实现集团的核心策略目标。目前，集团拥有多种收入来源，其中包括资产投资收益、服务费收益及贸易利润。

房地产业务和金融服务业务有潜力成为集团稳定的收入来源，并会减少集团过度依赖于物流业务，减少全球贸易量波动的影响。集团已进一步建议把这两块业务纳入为核心业务，以提供集团多元化的收入来源和多样化的业务市场，为未来的持续发展奠定重要基础。

股东价值为重点

虽然全球经济不明朗，为了提升公司业绩，集团将会探索新投资项目以巩固现有的核心业务。这些投资会让集团以及股东获取更大的利益。提高股东的收益仍是我们的首要任务和主要目标。我坚信管理层将继续不遗余力的创造更多的股东价值。

股息

鉴于良好的业绩，董事会已建议每股税后股息0.50分，支付股息达到1,212万元。此建议将提交今年股东大会批准，如获通过实施，这将是公司自1995年上市以来分派给股东的最高股息。这次股息建议是每股收益1.62分的30.9%。相对去年的每股股息0.45分，高了11.1%。此外，根据集团股息方案（2010年8月31日的特别会议上通过）股东可以选择全现金方式或以全新发额普通股兑现。

展望未来

在全球经济中，以及在新加坡，有一些关键的发展可能使经营更具有挑战性。美国联邦储备委员会可能缩小定量宽松政策及中国经济增长模式和策略的转型，将带来一个动荡和不确定的环境，很有可能会影响全球经济增长。新加坡劳动力市场的收紧以及随之而来的工资成本增加，都会影响集团的表现。尽管如此，本集团对其业务前景维持谨慎乐观态度，密切观察经济环境，继续保持警惕营运，控制成本。本集团将继续加强和扩大其核心业务，并持续寻找商机。

致谢

在此，我谨代表董事会向我们尊敬的客户、股东和合作伙伴们致谢，衷心感谢他们对公司的信任与支持。同时，我也要感谢我的董事会成员、管理层以及员工们，感谢他们为集团发展积极付出的努力与奉献精神。

谢谢。

柯福赐
集团主席

STRATEGISE INVESTMENT MOVES

During the year, we reaped the benefits of our strategic investments, proving how effective our investment platform is.


INVEST
STRATEGY

Review of Operations

WE WILL CONTINUE TO BUILD ON OUR 2013 SUCCESSES IN 2014

INTERNATIONAL FREIGHT FORWARDING

This has been a challenging year for Freight Links Express ("FLE"), as Singapore's export volume as a whole remained weak throughout the year 2012 and into the first quarter of 2013. Our sea freight revenue in Singapore increased by 1.8% by providing more comprehensive value-added logistics services while our airfreight revenue increased by 12.2%. Moving forward, we will continue to strengthen our overseas agency network which is essential for us to provide more extensive geographical coverage for our shippers.

Our project logistics business, in particular, has remained resilient and performed well in FY2013. We are especially pleased to have secured the opportunity to provide logistics support for the conversion of one of the world's largest FPSO (Floating Production Storage and Offloading) in China. Looking forward, the power plants, infrastructure development, marine and oil & gas industries in Asia are projected to continue their strong growth. FLE is well-positioned to tap into the many project logistics business opportunities in these sectors. With our excellent track record in NVOCC and project logistics, we remain assured of the long term prospects of our freight forwarding business.

WAREHOUSING & LOGISTICS

Warehouse spaces under warehousing property continues to be in strong demand with overall facilities fulfilled at near capacity occupancy rates of over 98%. Amidst the continued demands for warehouse space within the logistics units, properties within the Group's property portfolio will continue to be reviewed for possible redevelopment. The revenue from warehousing and logistics business improved by 73.1% year-on-year to $42.3 million. This segment profit after tax decreased by $1.3 million to $11.2 million compared to $12.5 million in FY2012 mainly due to write-back of warehouse impairment loss of $2.3 million in FY2012. Excluding the impairment loss of $2.3 million, the segment profit after tax would have been increased by 9.8% to $11.2 million from $10.2 million in FY2012.

We are looking forward to the completion of the Group's new integrated chemical logistics hub at Banyan Drive, Jurong Island, by end 2013. With a total gross floor area of approximately 700,000 square feet, it will be a state-of-the-art 6-storey complex with vehicle ramp-up access. The Building and Construction Authority had issued us temporary occupation licence for open yard and bromine storage area.

We have also commenced works for the expansion of 30 Tuas Ave 10. The expansion is scheduled to be completed in mid-2014 and will increase the overall gross area by 3,050 square metres or 9.7%.

The Group will continue to seek the right opportunities to grow our logistics infrastructure by constantly looking out for land with development potential as well as redeveloping our existing warehouse facilities.

Document Storage

Freight Links Express Archivers is the solutions provider for Records Management services. Our portfolio comprises major enterprises, government agencies and government linked companies. The unit continues to achieve strong storage growth amidst a competitive market. The purpose-built Records Management & Document Storage Centre in Tuas ensures a secured and dedicated environment whereupon storage documents are safely stored and managed.

ISO Tanks Operation

The Group newly established ISO tank container operations achieved outstanding performance since its formation in April 2012. Though new in the market, our ISO tank container fleet had expanded to cover 3 core areas namely: normal-tank operations, special-tank operations and leasing activities. By September 2013, we would have completed the launch and integration of an additional 1,000 units of newly built T11 tanks into the existing fleet. Apart from T11, MUTO Global has set its direction to be an active special-tank and deep-sea tank operators in the near future. We envisage MUTO Global to grow and become a sustainable business for the Group.

Joint Venture in Jiangyin

Operating model of maximizing both the in-door and out-door storage space continues to enhance greater space utilization as a whole. The initiative of temperature control facility for wine storage as well as the collateral management logistics and services had paved the way forward for future growth in the years ahead. It won the "Safety Gold Award" for its outstanding safety conducts and practices for 2012.

In March 2013, we also incorporated Jiangyin Huan Lian Transportation Co., Ltd, to jump start our transportation business. This will strengthen our logistics services capability to help customers deliver their goods on time and in a more cost effective manner. The company now operates a fleet of 10 trucks.

Amidst the continued demands for warehouse space within the logistics units, properties within the Group's property portfolio will continue to be reviewed for possible redevelopment.

CHEMICAL STORAGE & LOGISTICS

The chemical logistics business grew 8.9% in revenue to $56.4m in FY2013. The segment profit after tax increased by $1.9 million to $2.2 million from $0.3 million in FY2012. LTH continues to leverage on its years of experience in dangerous goods management to secure more customer contracts in all aspects of its integrated logistics services. We have started operations on our yard facility on Jurong Island and have seen a strong take up of the capacities. With the expected completion of the Jurong Island warehouse by end 2013, we look to further drive its revenue stream in the coming year.

In this tight labour market and increasingly competitive environment, LTH looks to increase use of Information Technology and automation to further improve our business process efficiencies and productivity.

Our commitment to responsible business practices continues to be recognized in this year's Singapore Chemical Industry Council's award presentation. LTH was presented with Achievement awards in the fields of Community Awareness & Emergency Response, Distribution and Employee Health & Safety.

MANAGEMENT FEE BUSINESS

Management fees business recorded revenue of $8.0 million mainly contributed by a 51% subsidiary, Sabana Investment Partners Pte Ltd ("SIP"). This segment posted a net profit of $3.4 million in the current year comparable to FY2012. The Group's participation in the Sabana REIT Manager, Sabana Real Estate Investment Management Pte Ltd and the Property Manager, Sabana Property Management Pte Ltd of the Sabana REIT, through its 51% equity stake in SIP, will continue to have a positive impact on the earnings of the Group.

OTHER SERVICES

The Group has a 30% equity stake in Sentosa Capital (Pte) Ltd ("SCPL"). SCPL is a fund management company registered with Monetary Authority of Singapore and derives income from management fees for the investment management services provided to its clients. The Group also invested US$30.0 million in Sentosa Asian Credit Offshore Feeder Fund Limited ("SACOFF") with a view to improving yields on capital. The fair value of the investment in SACOFF as at 31 May 2013 is about US$34.2 million.

The Group also engages in investment activities via its portfolio of listed and unlisted securities, structured equity and debt products. In relation to such investments, the Group pursues a prudent, focused and disciplined investment strategy and does not undertake any speculative investments.

The net profit for this segment increased by $10.8 million to $20.0 million in the current year from $9.2 million in FY2012, mainly due to higher fair value gains on the Group's investment in Sabana REIT units and Sentosa Asian Credit Offshore Feeder Fund.

GROUP CORPORATE STRUCTURE

Freight Links Express Holdings Limited

INTERNATIONAL FREIGHT FORWARDING

- **100%** Freight Links Express Pte Ltd
- **100%** Crystal Freight Services Pte Ltd
- **49%** Freight Links Express (Thailand) Co., Ltd.
  - **100%** Freight Links Express International Limited
- **100%** Freight Links Express (Penang) Sdn Bhd
- **100%** Freight Links Express (M) Sdn Bhd
- **51%** Freight Links M&S (H.K.) Limited

WAREHOUSING & LOGISTICS

- **100%** Freight Links Logistics Pte Ltd
  - **50%** Muto Global Pte Ltd
- **100%** Freight Links Express Logisticpark Pte Ltd
- **100%** Crystal Freight Services Distripark Pte Ltd
- **100%** Freight Links Express Air Systems Pte Ltd
- **100%** Freight Links Fabpark Pte Ltd
- **100%** Freight Links Express Distripark Pte Ltd
- **100%** Freight Links Express Districentre Pte Ltd
- **100%** Freight Links Express Logisticentre Pte Ltd
- **100%** Freight Links E-Logistics Technopark Pte Ltd
- **100%** Freight Links Properties Pte Ltd
- **100%** Freight Links Express Archivers Pte Ltd
- **100%** San Lu Logistics Co., Ltd
- **65.5%** Freight Links (Jiangsu) Co., Ltd
  - **100%** Jiangyin Huan Lian International Trade Co., Ltd
    - **100%** Jiangyin Huan Lian Transportation Co., Ltd

CHEMICAL STORAGE & LOGISTICS

- **51%** LTH Logistics (Singapore) Pte Ltd
  - **100%** LTH Distripark Pte Ltd
  - **36%** Lee Thong Hung Trading & Transport Sdn Bhd
- **29%** Lee Thong Hung Trading & Transport Sdn Bhd
- **80%** Chemode Global Pte Ltd

MANAGEMENT FEE BUSINESS

- **51%** Sabana Investment Partners Pte Ltd
  - **100%** Sabana Real Estate Investment Management Pte Ltd
    - **100%** Sabana Property Management Pte Ltd

OTHER SERVICES

- **100%** Singapore Enterprises Pte Ltd

ASSOCIATES

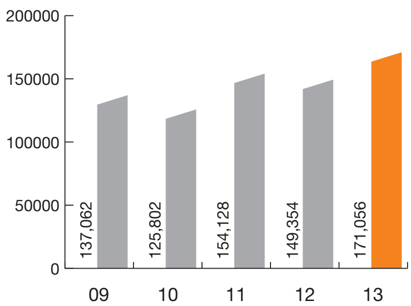
- **25% Equity** MFL Logistics LLC
- **20% Equity** Freight Management Holdings Bhd
- **20% Equity** Busan Cross Dock Co., Ltd
- **30% Equity** Sentosa Capital Pte Ltd
- **Convertible loans** Fudao Petrochemicals Group Pte Ltd
- **Convertible preference shares** China GSD Logistics Pte Ltd
- **25.5% Equity** China Southwest Energy Corporation Limited

GROUP FINANCIAL HIGHLIGHTS

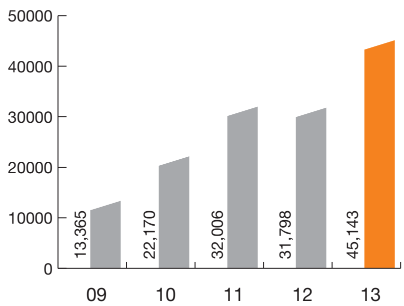
5-Year Financial Summary

	FY2009	FY2010	FY2011	FY2012	FY2013
OPERATING RESULTS					
Revenue ($'000)	137,062	125,802	154,128	149,354	171,056
EBITDA ($'000)	13,365	22,170	32,006	31,798	45,143
Pretax profit ($'000)	9,985	17,306	25,709	37,963	44,849
Net profit ($'000)	8,784	13,851	16,286	32,214	38,361
EBITDA margin (%)	9.75	17.62	20.77	21.29	26.39
Pretax margin (%)	7.29	13.76	16.68	25.42	26.22
Net margin (%)	6.41	11.01	10.57	21.57	22.43
Cash and Cash equivalents	33,863	38,517	28,612	29,297	39,175
FINANCIAL POSITION					
Total assets ($'000)	280,681	248,464	303,133	344,692	452,157
Total debt ($'000)	81,613	57,503	11,779	44,730	107,988
Debt/Assets (%)	29.08	23.14	3.89	12.98	23.88
Shareholders' equity ($'000)	129,758	145,280	156,098	183,404	231,879
Return on Assets (%)	3.13	5.57	5.37	9.35	8.48
Return on Equity (%)	6.77	9.53	10.43	17.56	16.54
Net debt : Equity (times)	0.37	0.13	–	0.08	0.30
PER SHARE DATA					
Earnings (cents) – Basic	0.42	0.62	0.73	1.43	1.62
Earnings (cents) – Diluted	0.42	0.62	0.73	1.43	1.62
Dividend (cents)	–	0.35	0.40	0.45	0.50
Net tangible assets (cents)	6.10	6.77	6.96	7.95	9.53

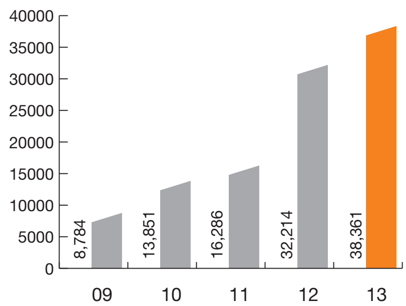
Revenue
($'000)



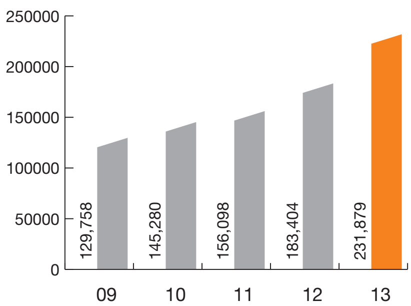
EBITDA
($'000)



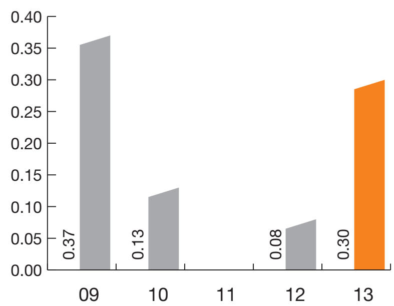
Net Profit
($'000)



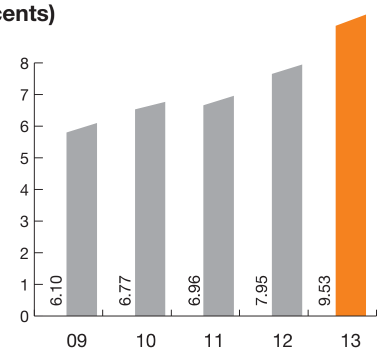
Shareholders' equity
($'000)



Net debt : Equity
(times)

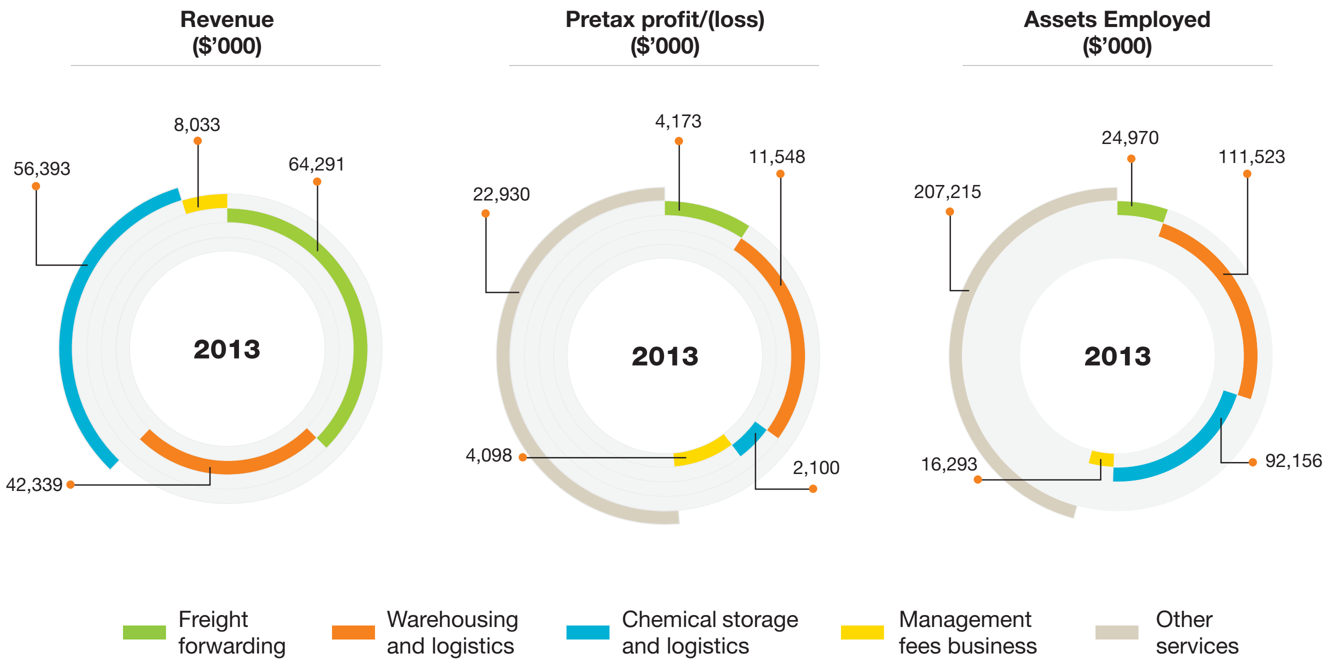


Net tangible assets
(cents)



5-Year Segmental Results

	FY2009 $'000	FY2010 $'000	FY2011 $'000	FY2012 $'000	FY2013 $'000
REVENUE					
Freight forwarding	74,900	60,446	68,789	64,111	64,291
Warehousing and logistics	19,184	19,383	22,205	24,457	42,339
Chemical storage and logistics	34,913	41,563	50,223	51,760	56,393
Management fees business	–	–	9,089	7,939	8,033
Other services	8,065	4,410	3,822	1,087	–
	137,062	125,802	154,128	149,354	171,056
PRETAX PROFIT/(LOSS) ($'000)					
Freight forwarding	7,280	4,295	5,333	5,057	4,173
Warehousing and logistics	2,880	9,480	21,490	12,572	11,548
Chemical storage and logistics	(768)	2,837	2,255	1,375	2,100
Management fees business	–	–	6,787	3,996	4,098
Other services	593	694	(10,156)	14,963	22,930
	9,985	17,306	25,709	37,963	44,849
ASSETS EMPLOYED					
Freight forwarding	17,976	18,712	20,229	24,544	24,970
Warehousing and logistics	138,383	125,532	67,654	83,827	111,523
Chemical storage and logistics	31,147	41,249	29,570	40,293	92,156
Management fees business	–	–	7,750	9,468	16,293
Other services	93,175	62,971	177,930	186,560	207,215
	280,681	248,464	303,133	344,692	452,157



BOARD OF DIRECTORS

1st row from left:
KHUA HOCK SU, ERIC KHUA KIAN KEONG, HENRY CHUA TIONG HOCK.

2nd row from left:
THOMAS WOO SAI MENG, SEBASTIAN TAN CHER LIANG, DEREK LOH EU TSE.

KHUA HOCK SU

Non-Executive Chairman

Mr Khua was appointed as Chairman of the Board on 5 November 2003. He is also a member of the Audit Committee and the Remuneration Committee.

Mr Khua is currently the Group Chairman of Lian Hup Group, which was founded in 1952. With over 50 years of experience in business, he has been instrumental in the strategic direction and development of the Group, which has diverse interests in steel trading, investment, real estate development and logistics services.

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

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

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 the University of the Pacific, USA, in 1987.

He is currently the president of the Singapore Metal and Machinery Association, a council member of the Singapore Chinese Chamber of Commerce and Industry, a council member and vice-chairman of the Trade and Industry Committee at the Singapore-China Business Association, a board member of head of External Affairs at the Singapore Thong Chai Medical Institute. He also serves as a vice-president at Pei Tong Primary School advisory committee, an executive committee member at the Singapore Ann Kway Association, and a vice-president at the Nanyang Kuah Si Association. He is also a patron at the Telok Blangah Citizens' Consultative Committee.

Mr Khua is the board chairman of Fujian Anxi No. 8 Middle School, vice-president of the Anxi Charity Federation and the Anxi Fenglai Guitou Charity Federation. He was awarded the "Outstanding Charitable Works Contribution" by the Fujian Provincial Government, PRC.

柯建强目前担任新加坡五金机械公会会长，新加坡中华总商会董事，新加坡中国商会常务董事兼工商组副主任，新加坡同济医院常务董事兼外事组主任，新加坡培同小学咨询委员会副主席，新加坡安溪会馆执行委员兼青年股副主任，新加坡南洋柯氏公会副会长。柯先生也是直落布兰雅公民咨询委员会成员。

在中国福建省，柯先生是安溪八中校董会会长，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 Shari'ah Compliant REIT and Freight Management Holdings Berhad, Malaysia, as well as a number of other subsidiaries in the Group.

He has wide-ranging experience in logistics, operations management and corporate development with various MNCs and local companies.

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 & Chief Investment Officer of Freight Links Express Holdings Limited and its Group of Companies. 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 of the parent holding company in September 2001 and concurrently sits on the board of a number of the Group's subsidiaries and associates.

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

Prior to joining the Group, Mr Woo has held senior managerial appointments with a number of private sector organizations across a wide spectrum of industries. Mr Woo has more than 30 years' experience in finance and commerce. His extensive experience included financial management and corporate strategy, securities trading & investment, management consulting, operations management and international trading.

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

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

SEBASTIAN TAN CHER LIANG

Independent Non-Executive Director

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

He co-founded Boardroom Limited in May 2000. He was the Managing Director and Finance Director of Boardroom Limited from May 2000 to March 2013. Nevertheless, he continues to be a Non-Executive and Non-Independent of Boardroom Limited, and also an Advisor to Boardroom Limited and its subsidiaries effective 1 April 2013. Prior to establishing Boardroom Limited, he was the Managing Director of Boardroom Business Solutions Pte Ltd and Boardroom Corporate & Advisory Services Pte Ltd, and external auditor of Ernst & Young LLP.

Mr Tan serves as an Independent Non-Executive of Kingsmen Creative Ltd. He chairs the Remuneration Committee and is a member of the Audit Committee and Nominating Committee. He also holds directorships in charitable organizations such as D.S. Lee Foundation and Children's Charities Association. He is also a Trustee of Kwan Im Thong Hood Temple.

Mr Tan is a fellow of the Association of Certified & Chartered Accountants (UK) and a member of the Institute of Singapore Chartered Accountants. He was awarded the Public Service Medal in 1996.

DEREK LOH EU TSE

Independent Non-Executive Director

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

He graduated with honours from Cambridge University and practices law 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 Metech International Ltd and Vietnam Enterprise Investments Limited, a member of the Irish Stock Exchange. He is a member of the Board of Governors of Saint Joseph's Institution ("SJI") in Singapore and also a Trustee and a member of the Management Committee of the SJI Foundation.

SENIOR EXECUTIVES

1st row from left:
CHARLES CHAN CHOONG POH, SIMON SIM GEOK BENG, LAWRENCE SIM KAY SIN.


2nd row from left:
JOHN LIM SUI SEN, MICHELLE TAN, ALEX NG BOON CHUAN.




3rd row from left:
LEE SENG HOCK, ADRIAN CHIA SENG CHYE, JAMES LEONG WENG YU.





4th row from left:
LAWRENCE LIM MENG JIOW, VINCENT YONG CHEE LEONG, PHILIP LIM KOK TONG.

5th row from left:
VINCENT SEE CHIN HOK, SIM EE HUEY, DON TANG FOOK YUEN.



CHARLES CHAN CHOONG POH

Chief Operating Officer
Freight Links Express Holdings Limited

Mr Chan joined the Group as Chief Operating Officer on 2 July 2012. Mr Chan has more than 31 years of supply chain related experience in both MNCs and local companies. He has held various senior positions including Senior Vice President at ST Electronics, Deputy President and Chief Operating Officer of SembCorp Logistics and General Manager of DHL Express International (Singapore).

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

SIMON SIM GEOK BENG

Chief Financial Officer
Freight Links Express Holdings Limited

Mr Sim was appointed as Chief Financial Officer on 1 December 2010, having served as Senior Vice President since 1 July 2005. He is responsible for the full spectrum of accounting, taxation and treasury functions in the Group.

Mr Sim has more than 26 years of working experience in finance, taxation and accounting, of which 16 years were spent holding senior positions. Prior to joining the Group in June 2000, Mr Sim had related experience in various industries ranging from audit, insurance, airfreight, logistics, manufacturing and trading.

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

LAWRENCE SIM KAY SIN

Senior Vice President
Freight Links Express Holdings 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 Freight Links.

Mr Sim has more than 31 years of experience in operations, sales, marketing, business development and management from various industries. Prior to joining LTH, he also held senior management appointments with various MNCs where he spearheaded and successfully established multiple key strategic logistic centres in Vietnam where essential services include freight management, warehousing, transportation, distribution and customisation.

As Senior Vice President for Freight Links' Greater China, Mr Sim was instrumental in the transformation and enhancement of Freight Links' logistics operations in meeting customer expectations and ever-changing market demands. Mr Sim is also a key management team member for the newly established ISO tank container business since May 2012.

JOHN LIM SUI SEN

Vice President (Projects)
Freight Links Express Holdings Limited

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

Prior to joining the Group, Mr Lim had worked with a leading express and logistics company for more than 9 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)
Freight Links Express Holdings Limited

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 both Group's local and overseas subsidiaries.

Prior to joining the Group, Ms Tan has more than 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 Royal Melbourne Institute of Technology.

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 29 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.

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 31 years of experience in freight operations.

SENIOR EXECUTIVES

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

Mr Chia is the Vice President (Sales & Marketing) of Freight Links Express and is responsible for the sales and marketing activities of Freight Links Express. Mr Chia joined Freight Links Express in September 1988 and has more than 24 years of experience in sales and marketing.

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

Mr Leong has more than 38 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 27 years of experience in freight consolidation, operations, marketing and claims administration.

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

Mr Lim joined Freight Links Express in July 1999 and has more than 16 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. 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.

PHILIP LIM KOK TONG
Executive Vice President
Freight Links Logistics Pte Ltd

Mr Lim heads the Logistics Division and is responsible for business development, operations and logistics services of the Group. He joined the Group in August 1994 and was promoted to his current position in January 2000. Mr Lim has more than 39 years of experience in liner shipping, freight forwarding, corporate marketing, logistics and supply chain management. Prior to joining the Group, he was the Deputy Managing Director of a leading shipping and logistics company.

VINCENT SEE CHIN HOK
Vice President
Freight Links Logistics Pte Ltd

Mr See joined the Group in January 1997 and has more than 34 years of experience in shipping, transportation, customer service, marketing, warehousing and distribution management. He is responsible for marketing, business account development, operations and logistics services.

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

SIM EE HUEY
Assistant Vice President
Warehousing Property
Freight Links Express Archivers Pte Ltd

Mr Sim joined the Group in July 2003 and moved up to the ranks to become Assistant Vice President on 1 July 2012. He is responsible for business development and overall management of the Warehousing property division and Freight Links Express Archivers Pte Ltd.

Mr Sim holds a Bachelor of Engineering (Mechanical) (Honours) from the National University of Singapore.

DON TANG FOOK YUEN
General Manager
LTH Logistics Group of Companies

Mr Tang joined the LTH Group of Companies as its General Manager in August 2011. Prior to joining the Group, he has held various senior management positions overseeing corporate strategy, business development operations, human resource and finance functions in the manufacturing sector. He has also had previous work experience in the finance and publishing industries.

Mr Tang graduated from the National University of Singapore with a Bachelor of Business Administration degree before obtaining his Masters of Science in International Marketing from the University of Strathclyde.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Chairman
Khua Hock Su

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

Independent Non-Executive
Sebastian Tan Cher Liang, PBM
Derek Loh Eu Tse

Audit Committee
Sebastian Tan Cher Liang, Chairman
Khua Hock Su
Derek Loh Eu Tse

Nominating Committee
Derek Loh Eu Tse, Chairman
Sebastian Tan Cher Liang
Eric Khua Kian Keong

Remuneration Committee
Derek Loh Eu Tse, Chairman
Sebastian Tan Cher Liang
Khua Hock Su

COMPANY SECRETARY

Dorothy Ho
Nancy Quek

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road
#02-00, Singapore 068898
Tel: 6236 3333
Fax: 6236 4399

REGISTERED OFFICE

51 Penjuru Road #04-00
Freight Links Express Logisticentre
Singapore 609143
Tel: 6262 6988
Fax: 6261 3316

AUDITORS

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

Kum Chew Foong, Partner-in-charge
(appointed since FY2010)

PRINCIPAL BANKERS

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

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

DBS Bank Ltd
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

CORPORATE DIRECTORY

CORPORATE HEAD OFFICE

Freight Links Express Holdings Limited
51 Penjuru Road #04-00
Freight Links Express Logisticentre
Singapore 609143
Tel : (65) 6262 6988 (30 Lines)
Fax : (65) 6261 3316
E-Mail : flesin@freightlinks.net
Web : www.freightlinks.net

SINGAPORE OFFICES

INTERNATIONAL FREIGHT FORWARDING

Freight Links Express Pte Ltd
51 Penjuru Road #03-00
Freight Links Express Logisticentre
Singapore 609143
Tel : (65) 6267 5511 (20 Lines)
Fax : (65) 6267 5577
E-Mail : flesin@freightlinks.net
TOLL FREE LINE (65) 6566 2866

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

WAREHOUSING AND LOGISTICS

Freight Links Logistics Pte Ltd
51 Penjuru Road #03-00
Freight Links Express Logisticentre
Singapore 609143
Tel : (65) 6262 6988
Fax : (65) 6262 6928

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

Freight Links Express Logisticpark Pte Ltd
33/35 Penjuru Lane
Singapore 609200
Tel : (65) 6267 2688
Fax : (65) 6266 2833

Crystal Freight Services Distripark Pte Ltd
146 Gul Circle
Singapore 629604
Tel : (65) 6863 4438
Fax : (65) 6863 4437

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

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

Freight Links Fabpark Pte Ltd
30/32 Tuas Avenue 8
Singapore 639246/7
Tel : (65) 6262 6988
Fax : (65) 6262 6928

Freight Link Express Air Systems Pte Ltd
218 Pandan Loop
Singapore 128408
Tel : (65) 6262 6988
Fax : (65) 6262 6928

Muto Global Pte Ltd
Suite W1102, 11th Floor,
Wisma Consplant 1, West Wing,
No. 2, Jalan SS16/4
47500 Subang Jaya,
Selangor, Malaysia
Tel : (60) 3 5613 0080
Fax : (60) 3 5613 0091

DOCUMENTS MANAGEMENT SERVICES

Freight Links Express Archivers Pte Ltd
30 Tuas Avenue 10
Singapore 639150
Tel : (65) 6262 6966
Fax : (65) 6262 6928

CHEMICAL STORAGE AND LOGISTICS

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

LTH Distripark Pte Ltd
33/35 Penjuru Lane
Singapore 609200
Tel : (65) 6268 9595
Fax : (65) 6268 2617
E-Mail : lthlog@pacific.net.sg

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

REAL ESTATE MANAGEMENT SERVICES

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

OVERSEAS OFFICES

CHINA

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

San Lu Logistics Co., Ltd
18 Haigang Road, Jiangyin city
(In the bonded logistics center warehouse no. 3)
214443, P.R.C.
Tel/Fax: (86) 510 81651828

MALAYSIA

Freight Links Express (M) Sdn Bhd
No. 105C (3rd Floor)
Persiaran Pegaga
Taman Bayu Perdana, 41200 Klang
Selangor Darul Ehsan, West Malaysia
Tel : (60) 3 3324 4040
Fax : (60) 3 3324 2008
E-Mail : sales@freightlinks.net

Freight Links Express (Penang) Sdn Bhd
Level 11, Unit 11(B),
Wisma Boon Siew
No. 1, Penang Road
10000 Penang, West Malaysia
Tel : (60) 4 263 4390
Fax : (60) 4 263 4392
E-Mail : flepng@freightlinks.net

Lee Thong Hung Trading & Transport Sdn Bhd
Pasir Gudang Office
Plo 470, Jalan Keluli 1
Pasir Gudang Industrial Estate
81700 Pasir Gudang
Johor, West Malaysia
Tel : (60) 7 252 5575
Fax : (60) 7 252 4932

HONG KONG

Freight Links M&S (H.K.) Limited
Suite 1116, 11/F, Tower 3
China Hong Kong City
33 Canton Road, Tsimshatsui
Kowloon, Hong Kong
Tel : (852) 2826 9113
Fax : (852) 2868 9319
E-Mail : flms@flms.com.hk

THAILAND

Freight Links Express (Thailand) Co., Ltd
507/321 Freight Links Building
Soi Sathu Pradit 31
(Nakorn Thai Soi 4),
Sathu Pradit Road, Chong Nonsi,
Yannawa, Bangkok 10120
Tel : (662) 210 2888 (40 lines)
Fax : (662) 674 3724
E-mail : flebkk@fleth.co.th
Web : www.fleth.co.th

ASSOCIATES

Freight Management Holdings Bhd
Lot 37, Lebuh Sultan Mohamad 1,
Kawasan Perindustrian Bandar Sultan Suleiman,
42000 Port Klang,
Selangor Darul Ehsan, Malaysia
Tel : (60) 3 3176 1111
Fax : (60) 3 3176 8634
E-mail : gen@my.fmgloballogistics.com
Web : www.fmmalaysia.com.my

China GSD Logistics Pte Ltd c/o Shenzhen Gongsuda Logistics (Holdings) Co., Ltd
Block 139, 6th Floor, Liantang
Industrial Park Luohu District,
Shenzhen China, 518004
Tel : (86) 75 525821860
Fax : (86) 75 525821973
Web : www.gongsuda.com

Fudao Petrochemicals Group Pte Ltd
No. 18 Kaki Bukit Road 3 #04-15
Singapore 415978
Tel : (65) 67436678
Fax : (65) 68467977

MFL Logistics LLC
Shaikh Hamdan Award Complex
Office #501, "B" Block, 5th Floor
Jumeira Beach Road,
P.O. Box 119343, Dubai,
United Arab Emirates
Tel : (971) 4 327 3333
Fax : (971) 4 327 4949
Web : www.mfldubai.com

Busan Cross Dock Co., Ltd
#1321, Yongwon-dong,
Jinhae-gu, Changwon-si,
Gyeongsangnam-do, Korea
Tel : (055) 540 0062
Fax : (055) 540 0010
Web : www.busancrossdock.co.kr

Sentosa Capital Pte Ltd
3 Pickering Street, Nankin Row
#03-09 China Square Central
Singapore 048660
Tel : (65) 6225 1102
Fax : (65) 6225 8658

China Southwest Energy Corporation Limited
Rooms 905-907, 9th Floor,
Nan Fung Tower, 173 Des Voeux Road Central,
Hong Kong
Tel : (852) 2850 6336
Fax : (852) 2850 6086
c/o 华坪县永兴煤炭有限责任公司
云南省丽江市华坪县中心镇河东桥北小区18号 邮编：674800
Tel : (86) 888-6122973
Fax : (86) 888-6126069

FINANCIAL REPORT 2013

CONTENTS

CORPORATE GOVERNANCE REPORT

for the financial year ended 30 April 2013

The Directors and management are committed to ensuring and maintaining high standards of corporate governance in line with the Code of Corporate Governance 2005 (the Code). The Board familiarized itself with the recommended guidelines given under the revised Code of Corporate Governance (the Revised Code) issued on 2 May 2012. The Company will implement the Revised Code as and when appropriate.

Where applicable, the Board has established various self-regulatory and monitoring mechanisms to ensure that effective corporate governance is practised. This statement describes the corporate governance policies and practices of the Company that were in place for the financial year ended 30 April 2013.

BOARD MATTERS

Principle 1 Board's Conduct of Affairs

Presently, the Board comprises six members, one non-executive Chairman, two independent non-executive directors and three executive directors. The Board holds at least four regular meetings in a financial year and additional meetings are convened as and when circumstances warrant. The Board members for the financial year ended on 30 April 2013 are as follows:

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

The Board comprises directors who as a group, has core competencies and diversity of experience to enable them to lead and control the Company effectively. Such competencies and experiences include industry knowledge, strategic planning, business management, finance and accounting, and human resources. Profiles of directors are found on page 18 of this Annual Report.

The Board directs and supervises the management of the business and corporate affairs of the Group with a view to enhancing long-term shareholder value. Apart from its statutory responsibilities, the key roles of the Board are to:

- review and approve the Group's strategic plans, key operational initiatives, major investments and funding decisions;
- ensure the implementation of appropriate control systems to manage the Group's business and financial risks;
- review the Group's financial performance and approve the quarterly, half-year and full-year financial results for release; and
- evaluate the performance and compensation of key office holders.

For maximum effectiveness, the Board has delegated some of its functions to the Audit Committee, the Nominating Committee and the Remuneration Committee.

To enhance effectiveness of the Board, a newly appointed director receives a thorough briefing by existing directors of the Group's businesses and recent financial performance.

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

CORPORATE GOVERNANCE REPORT

for the financial year ended 30 April 2013

DIRECTORS ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The attendance of the Directors at Board and Committee meetings for the financial year ended 30 April 2013, as well as the frequency of such meetings is disclosed below.

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

Principle 2 Board Composition and Guidance

As shown above, half the Board is made up of non-executive directors. Of the three non-executive directors, two of them, being one-third of the Board, are independent, thus providing for independent element on the Board capable of exercising objective judgment on corporate affairs of the Group.

Mr Sebastian Tan Cher Liang and Mr Derek Loh Eu Tse have served on the Board beyond the suggested nine year period from the date of their first appointment. The Board is satisfied with the rigorous reviews and confirmation of independence of Mr Sebastian Tan and Mr Derek Loh both of whom have always maintained independence in their oversight and discharge of their role and responsibilities in addition to their value added contributions.

Principle 3 Chairman and Chief Executive Officer

Mr Khua Hock Su is the Non-Executive Chairman of the Company. He bears primary responsibility for the workings of the Board while his son, Mr Eric Khua Kian Keong, the Chief Executive Officer, is the most senior executive in the Company who has executive responsibility for the management of the Company and the Group.

The Board has established various committees with power and authority to perform key functions beyond the authority of, or without undue influence from, the Chairman and/or the Chief Executive Officer. The Board is of the view that there is an appropriate balance of power and authority at the top of the Company and no single director has considerable concentration of power.

Principle 4 Board Membership

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

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

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

CORPORATE GOVERNANCE REPORT

for the financial year ended 30 April 2013

Its principal function is to review the nominations for appointments or re-appointments of members of the Board of Directors and the members of the various Board committees for the purpose of proposing such nominations to the Board for its approval. The Board on the recommendation of the NC appoints new directors. Such new directors must submit themselves for re-election at the next Annual General Meeting (AGM) of the Company. Article 94 of the Company's Articles of Association requires one third of the Board with the exception of any Director appointed to fill casual vacancy pursuant to Article 76, to retire by rotation at every AGM. Article 76 provides that any director so appointed shall hold the office until the next AGM, but shall be eligible for re-election. The NC has recommended the nomination of the directors retiring by rotation under the Articles at the forthcoming AGM, for re-election.

The NC is also tasked with the responsibility of evaluating the effectiveness of the Board as a whole. The NC is also charged with determining annually whether or not a director is independent.

Principle 5 Board Performance

The Board recognises that, as a principle of good corporate governance, there should be regular reviews and evaluations of the Board in order to have continual improvements.

The NC evaluates the Board's performance as a whole on an annual basis. Each director is required to complete Board performance evaluation forms to assess the overall effectiveness of the Board. The benchmark for the Board performance evaluation include the appropriate size and composition of the Board, access to information, processes and accountability, communication with Management and shareholders. The assessment of director is based on criteria such as relationship with the Company, experience in being a company director and various competencies and knowledge and wealth of experience. The NC together with the Chairman of the Board evaluates the effectiveness of the Board in monitoring management's performance against the goals that have been set by the Board.

Principle 6 Access to Information

Management is aware that it has an obligation to supply the Board with complete, adequate and timely information, not just before a meeting but on an ongoing basis. Directors have separate and independent access to the Company management and Company Secretary at all times. The Company secretary attends all Board meetings and advises the Board on all governance matters, as well as facilitating orientation and assisting with professional development. The appointment and the removal of the Company secretary are subject to the Board's approval. Where decisions to be taken by the Board require specialised knowledge or expert opinion, the Board has adopted a policy to seek independent professional advice.

REMUNERATION MATTERS

Principle 7 Procedures for Developing Remuneration Policies

The Remuneration Committee (RC) comprises three Non-executive Directors, two of whom, including the Chairman of the RC, are independent. The members of the RC as at the date of this Report are as follows:

Mr Derek Loh Eu Tse	Chairman (Non-executive, Independent)
Mr Sebastian Tan Cher Liang	Member (Non-executive, Independent)
Mr Khua Hock Su	Member (Non-executive, Non-independent)

The RC will recommend to the Board a framework of remuneration for fixing the remuneration packages of individual directors. Members of this Committee are knowledgeable in the field of executive compensation. If necessary, further expertise from outside sources will be made available. The Committee is aware of the need to minimise the risk of any potential conflict of interest and will ensure that no director should be involved in deciding his own remuneration.

Principle 8 Level and Mix of Remuneration

The Remuneration Committee will also propose in its framework of remuneration, the various levels and mix of components considered to be appropriate to attract, retain and motivate directors.

Principle 9 Disclosure on Remuneration

The breakdown of the level and mix of remuneration of each Director and the top senior executives for the financial year ended 30 April 2013 are set out below. A significant portion of senior executives' remuneration is linked to corporate and individual performance.

	Salary	Mix of Remuneration by % Bonus	Directors' fees	Total
Directors				
$250,000 to $499,999				
Eric Khua Kian Keong	90.8	7.8	1.4	100
Henry Chua Tiong Hock	79.6	6.9	13.5	100
Thomas Woo Sai Meng	90.6	7.6	1.8	100
Below $250,000				
Khua Hock Su	–	–	100	100
Sebastian Tan Cher Liang	–	–	100	100
Derek Loh Eu Tse	–	–	100	100
Senior Executives				
Below $250,000				
Charles Chan Choong Poh	94.9	5.1	–	100
Simon Sim Geok Beng	86.9	13.1	–	100
Philip Lim Kok Tong	90.2	9.8	–	100
Alex Ng Boon Chuan	85.2	14.8	–	100
Lawrence Sim Kay Sin	90.3	9.7	–	100

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

No stock options were granted to any employee during the financial year ended 30 April 2013. Details of the Company's FLEH Share Option Scheme can be found on page 33 of the Directors' Report. None of the senior employees of the Company or its subsidiaries was an immediate family member of any Director.

ACCOUNTABILITY AND AUDIT

Principle 10 Accountability

The Board recognises that it is accountable to shareholders for the Group's performance. At the end of each quarter, a review of the Group's financial performance and commentary on the competitive conditions within the industry in which the Company operates is provided to shareholders with the results announcements. Announcements are also released from time to time in compliance with the Listing Manual to keep shareholders informed of material developments within the Group.

Management provides monthly reports on the Group's financial performance to the Executive Directors and other regular reports in matters relating to sales & marketing, operations and finance.

Principle 11 Risk Management and Internal Controls

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

The Group has a system of internal control designed to provide reasonable assurance that assets are safeguarded, operational controls are adequate, business risks are suitably protected and maintaining proper accounting records to ensure that financial information used for financial reporting are reliable. The Internal Auditor is familiar with these controls and works closely with management and the Audit Committee to identify any inadequacies and weaknesses in the systems that require attention.

CORPORATE GOVERNANCE REPORT

for the financial year ended 30 April 2013

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

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the Audit Committee and the Board are of the opinion that the Group's internal controls are adequate to address financial, operational and compliance risks. The Board has received assurance from the Chief Executive Director and Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances.

Principle 12 Audit Committee (AC)

The AC comprises three members, all are Non-executive Directors, two of whom, including its Chairman, are independent non-executive directors. The members of the AC at the date of this report are as follows:

Mr Sebastian Tan Cher Liang	Chairman (Non-executive, Independent)
Mr Khua Hock Su	Member (Non-executive, Non-independent)
Mr Derek Loh Eu Tse	Member (Non-executive, Independent)

The AC is charged with the task of assisting the Board in the execution of its corporate governance responsibilities; ensuring that internal control systems have been maintained by management; reviewing interested party transactions; reviewing and approving the quarterly, half-year and full year financial statements; reviewing the assistance given to auditors; reviewing with internal and external auditors on any significant findings; and making recommendations to the Board on all the above matters.

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

Whistle Blowing Policy

The Company has put in place an informal "whistle blowing policy" into the Company's internal control procedures to provide a channel for staff to report in good faith and in confidence, without fear of reprisals, concerns about suspected fraud, corruption, dishonest practices or other similar matters. The objective of such a policy is to ensure independent investigation of such matters and for appropriate follow-up action.

Principle 13 Internal Audit

The role of the internal auditors is to assist the AC to ensure that the Company maintains a sound system of controls by regular monitoring of key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC. The Company has outsourced its internal audit function to independent professional firms, who will report directly to the Chairman of the AC. The external auditors will also perform operational & financial audit as required from time to time.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14 Shareholders' Rights

All shareholders of the Company receive the annual report and notice of AGM in advance of the AGM. The notice is also advertised in newspaper and made available on the Company's website.

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

Principle 15 Communication with Shareholders

The Board recognises the need to keep shareholders informed of material developments in the Company. This is done through appropriate press releases and announcements published on SGXNET and the Company's website whenever required by the Listing Manual. When immediate disclosure is not practicable, the relevant announcement is made as soon as possible to ensure that all stakeholders and the public have equal access to the information.

In addition the Company regularly updated the website at www.freightlinks.net for disseminating information to and improving communication with shareholders.

Principle 16 Conduct of Shareholder Meetings

At AGMs, shareholders are given opportunities to air their views and to ask the Board and management questions relating to the business affairs of the Group.

Resolutions to be passed at AGMs are always separate and distinct in terms of issue so that shareholders are better able to exercise their right to approve or deny the issue or motion. A balanced assessment of the relevant issues is provided or explained to shareholders, if necessary, to enable them to make informed judgments about the resolutions.

The Articles of Association of the Company allow a shareholder of the Company to vote in person and by proxy at the AGM of the Company. Each Shareholder is allowed to appoint not more than two proxies to vote on his behalf at the Shareholders' Meetings through proxy forms sent in advance. Investors, who hold shares through nominees such as the Central Provident Fund (CPF) and custodian banks are allowed to attend the AGM as observers subject to availability of seats.

The Board is satisfied that shareholders have been given the opportunity to participate effectively and to vote in AGMs.

SUPPLEMENTARY INFORMATION

Dealings in Securities

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

Interested Person Transactions

The Company has adopted an internal policy of any transactions with interested persons and has set out the procedures for review and approval of the Company's interested person transactions. All interested person transactions are reviewed and approved by the Audit Committee.

For the financial year ended 30 April 2013, there are no interested person transactions as defined under Chapter 9 of the SGX-ST Listing Manual.

The related party transactions as disclosed in Note 29 on Page 92 of the Annual Report are not interested person transactions within the ambit of Chapter 9 of the Listing Manual.

DIRECTORS' REPORT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 30 April 2013.

Directors

The directors in office at the date of this report are as follows:

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

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the Act), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year	Holdings at 21 May 2013
Khua Hock Su			
The Company			
– ordinary shares			
– deemed interests	1,184,580,595	1,278,071,425	1,278,071,425
Vibrant Capital Pte Ltd			
– ordinary shares			
– deemed interests	49,000	49,000	49,000
Lian Hup Holdings Pte Ltd			
– ordinary shares			
– interests held	4,200,000	4,200,000	4,200,000
Eric Khua Kian Keong			
The Company			
– ordinary shares			
– interests held	56,810,706	61,511,552	61,511,552
– deemed interests	1,184,554,004	1,278,071,425	1,278,071,425
Vibrant Capital Pte Ltd			
– ordinary shares			
– interests held	51,000	51,000	51,000
– deemed interests	49,000	49,000	49,000
Lian Hup Holdings Pte Ltd			
– ordinary shares			
– interests held	5,600,000	5,600,000	5,600,000
Henry Chua Tiong Hock			
The Company			
– ordinary shares			
– interests held	3,544,492	3,824,320	3,824,320
Thomas Woo Sai Meng			
The Company			
– ordinary shares			
– interests held	275,033	296,746	296,746

DIRECTORS' REPORT

By virtue of Section 7 of the Act, Eric Khua Kian Keong and Khua Hock Su are deemed to have interests in the other subsidiaries of the Company at the beginning and at the end of the financial year.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Except as disclosed under the "Share Options" section of this report, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Except for salaries, bonuses, fees and those benefits that are disclosed in this report and in note 29 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share options

The FLEH Share Option Scheme (the Scheme) of the Company was approved and adopted by its members at the Extraordinary General Meeting held on 28 June 2004. The Scheme is administered by the Company's Remuneration Committee, comprising three directors, Derek Loh Eu Tse, Sebastian Tan Cher Liang and Khua Hock Su.

The following persons shall be eligible to participate in the Scheme at the absolute discretion of the Remuneration Committee:

(i) in relation to the Group:
- (a) all the directors of the Company and its subsidiaries; and
- (b) all confirmed full-time employees of the Group who are not less than 21 years old;

(ii) in relation to the immediate holding company:
- (a) all the directors of the immediate holding company and its subsidiaries; and
- (b) all confirmed full-time employees of the immediate holding company and its subsidiaries who are not less than 21 years old;

(iii) in relation to the associated companies:
- (a) all the directors of the associated companies; and
- (b) all confirmed full-time employees of associated companies who are not less than 21 years old;

who, in the opinion of the Remuneration Committee, have contributed to the success and the development of the Group.

DIRECTORS' REPORT

Person who is a Controlling Shareholder, or his associate, shall not participate in the Scheme unless:

(i) clear justification has been provided to shareholders for their participation;

(ii) their participation and the actual number and terms of any option to be granted to them have been specifically approved by independent shareholders of the Company in a general meeting in separate resolutions for each such Controlling Shareholder; and

(iii) all conditions for their participation in the Scheme as may be required by the regulations of the SGX-ST from time to time are satisfied.

Controlling Shareholders and his associates refer to Eric Khua Kian Keong, the Chief Executive Officer of the Company and Khua Hock Su, the non-Executive Chairman.

The Remuneration Committee shall have absolute discretion to decide whether a person who is participating in this Scheme shall be eligible to participate in any other share option scheme implemented by the Company or any other Company within the Group.

Other information regarding the Scheme is set out below:

(i) The options are exercisable to subscribe for new ordinary shares in the capital of the Company;

(ii) The options may be exercised, in whole or in part in respect of 1,000 shares or any multiple thereof, by an option holder giving notice in writing to the Company and accompanied by the remittance for the aggregate subscription cost; and

(iii) The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company.

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

Audit Committee

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

- Sebastian Tan Cher Liang (Chairman), non-executive director
- Khua Hock Su, non-executive director
- Derek Loh Eu Tse, non-executive director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual, the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' report. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

DIRECTORS' REPORT

The Audit Committee also reviewed the following:

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

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

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

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

Auditors

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

On behalf of the Board of Directors

Eric Khua Kian Keong
Director

Thomas Woo Sai Meng
Director

25 July 2013

STATEMENT BY DIRECTORS

In our opinion:

(a) the financial statements set out on pages 38 to 93 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 April 2013 and the results, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

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

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

On behalf of the Board of Directors

Eric Khua Kian Keong
Director

Thomas Woo Sai Meng
Director

25 July 2013

INDEPENDENT AUDITORS' REPORT

Members of the Company
Freight Links Express Holdings Limited and its Subsidiaries

Report on the financial statements

We have audited the accompanying financial statements of Freight Links Express Holdings 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 2013, 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 38 to 93.

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 profit and loss accounts and balance sheets 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 to give a true and fair view of the state of affairs of the Group and of the Company as at 30 April 2013 and the results, 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 subsidiaries 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
25 July 2013

STATEMENT OF FINANCIAL POSITION

As at 30 April 2013

		Group		Company	
	Note	**2013**	**2012**	**2013**	**2012**
		$'000	**$'000**	**$'000**	**$'000**
Assets					
Property, plant and equipment	4	151,621	91,104	809	540
Intangible assets	5	800	969	–	–
Subsidiaries	6	–	–	12,249	12,249
Associates	7	60,490	60,315	35,993	38,353
Other investments	8	50,395	31,625	–	–
Other receivables	9	5	90	171,137	134,326
Deferred tax assets	16	239	267	–	–
Non-current assets		263,550	184,370	220,188	185,468
Other investments	8	106,616	95,080	77,320	66,918
Trade and other receivables	9	42,816	35,945	2,270	1,807
Cash and cash equivalents	10	39,175	29,297	1,241	4,398
Current assets		188,607	160,322	80,831	73,123
Total assets		452,157	344,692	301,019	258,591
Equity					
Share capital	11	92,018	84,467	92,018	84,467
Reserves	12	18,689	5,801	6,609	6,691
Accumulated profits	12	121,172	93,136	70,348	42,557
Equity attributable to owners of the Company		231,879	183,404	168,975	133,715
Non-controlling interests		16,621	12,001	–	–
Total equity		248,500	195,405	168,975	133,715
Liabilities					
Loans and borrowings	14	60,314	21,966	1,803	2,548
Other payables	15	37,604	52,857	91,005	104,574
Deferred tax liabilities	16	503	672	4	4
Non-current liabilities		98,421	75,495	92,812	107,126
Trade and other payables	15	53,042	47,486	1,614	2,618
Loans and borrowings	14	47,674	22,764	36,840	14,442
Current tax payable		4,520	3,542	778	690
Current liabilities		105,236	73,792	39,232	17,750
Total liabilities		203,657	149,287	132,044	124,876
Total equity and liabilities		452,157	344,692	301,019	258,591

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

CONSOLIDATED INCOME STATEMENT

Year ended 30 April 2013

	Note	Group 2013 $'000	Group 2012 $'000
Revenue	17	171,056	149,354
Other income	20	20,579	11,948
Accretion of deferred revenue		20,556	21,990
Freight and related costs		(88,083)	(70,720)
Rental expenses on operating leases		(31,413)	(33,134)
Warehouse upkeep and related costs		(8,519)	(8,112)
Exhibition design and build costs		–	(848)
Staff costs		(30,048)	(29,002)
Depreciation of property, plant and equipment	4	(6,633)	(5,354)
Other operating expenses		(8,732)	(9,018)
Results from operating activities		38,763	27,104
Finance income		3,718	2,524
Finance costs		(1,582)	(868)
Net finance income	18	2,136	1,656
Share of profit of associates, net of tax		3,950	9,203
Profit before income tax		44,849	37,963
Income tax expense	19	(3,627)	(3,256)
Profit for the year	20	41,222	34,707
Profit attributable to:			
Owners of the Company		38,361	32,214
Non-controlling interests		2,861	2,493
Profit for the year		41,222	34,707
Earnings per share			
Basic earnings per share (cents)	21	1.62	1.43
Diluted earnings per share (cents)	21	1.62	1.43

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 April 2013

	Group	
	2013	**2012**
	$'000	**$'000**
Profit for the year	41,222	34,707
Other comprehensive income		
Fair value changes on available-for-sale financial assets	14,201	642
Foreign currency translation differences for foreign operations	524	(556)
Other comprehensive income for the year, net of tax	14,725	86
Total comprehensive income for the year	55,947	34,793
Total comprehensive income attributable to:		
Owners of the Company	51,331	32,261
Non-controlling interests	4,616	2,532
Total comprehensive income for the year	55,947	34,793

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

CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY

Year ended 30 April 2013

Group	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 May 2011	80,149	–	7,082	(2,949)	2,012	69,804	156,098	8,724	164,822
Total comprehensive income for the year									
Profit for the year	–	–	–	–	–	32,214	32,214	2,493	34,707
Other comprehensive income									
Net changes in fair value of available-for-sale financial assets	–	–	–	526	–	–	526	116	642
Foreign currency translation differences relating to foreign operations	–	–	–	–	(479)	–	(479)	(77)	(556)
Total other comprehensive income	–	–	–	526	(479)	–	47	39	86
Total comprehensive income for the year	–	–	–	526	(479)	32,214	32,261	2,532	34,793
Transactions with owners of the Company, recognised directly in equity									
Contributions by and distributions to owners of the Company									
Dividends relating to 2011	–	–	–	–	–	(8,882)	(8,882)	–	(8,882)
Issue of new shares	4,318	–	–	–	–	–	4,318	–	4,318
Purchase of treasury shares	–	(391)	–	–	–	–	(391)	–	(391)
Total contributions by and distributions to owners of the Company	4,318	(391)	–	–	–	(8,882)	(4,955)	–	(4,955)
Changes in ownership interests in subsidiaries									
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	(490)	(490)
Acquisition of non-wholly owned subsidiary	–	–	–	–	–	–	–	745	745
Disposal of non-wholly owned subsidiary	–	–	–	–	–	–	–	490	490
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	745	745
Balance at 30 April 2012	84,467	(391)	7,082	(2,423)	1,533	93,136	183,404	12,001	195,405

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

CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY (CONT'D)

Year ended 30 April 2013

Group	Share capital $'000	Treasury shares $'000	Capital reserve $'000	Fair value reserve $'000	Foreign currency translation reserve $'000	Accumulated profits $'000	Total attributable to owners of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 May 2012	84,467	(391)	7,082	(2,423)	1,533	93,136	183,404	12,001	195,405
Total comprehensive income for the year									
Profit for the year	–	–	–	–	–	38,361	38,361	2,861	41,222
Other comprehensive income									
Net changes in fair value of available-for-sale financial assets	–	–	–	12,601	–	–	12,601	1,600	14,201
Foreign currency translation differences relating to foreign operations	–	–	–	–	369	–	369	155	524
Total other comprehensive income	–	–	–	12,601	369	–	12,970	1,755	14,725
Total comprehensive income for the year	–	–	–	12,601	369	38,361	51,331	4,616	55,947
Transactions with owners of the Company, recognised directly in equity									
Contributions by and distributions to owners of the Company									
Dividends relating to 2012	–	–	–	–	–	(10,325)	(10,325)	–	(10,325)
Issue of new shares	7,551	–	–	–	–	–	7,551	–	7,551
Purchase of treasury shares	–	(82)	–	–	–	–	(82)	–	(82)
Total contributions by and distributions to owners of the Company	7,551	(82)	–	–	–	(10,325)	(2,856)	–	(2,856)
Changes in ownership interests in subsidiaries									
Acquisition of non-wholly owned subsidiary	–	–	–	–	–	–	–	4	4
Balance at 30 April 2013	92,018	(473)	7,082	10,178	1,902	121,172	231,879	16,621	248,500

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 April 2013

	Note	Group 2013 $'000	Group 2012 $'000
Cash flows from operating activities			
Profit before income tax		44,849	37,963
Adjustments for:			
Accretion of deferred revenue		(20,556)	(21,990)
Amortisation of intangible assets	5	166	–
Depreciation of property, plant and equipment	4	6,633	5,354
Dividend income from available-for-sale financial assets	20	(3,321)	(2,748)
Dividend income from financial assets at fair value through profit or loss	20	(1,939)	(2,434)
Finance costs	18	1,582	868
Finance income	18	(3,718)	(2,524)
Foreign exchange gain		(157)	(776)
Gain on disposal of marketable securities	20	–	(13)
Gain on disposal of property, plant and equipment	20	(64)	(125)
Gain on fair value of marketable securities	20	(13,869)	(1,875)
Government grants received		4,000	–
Impairment loss on goodwill	20	–	982
Impairment loss on leasehold properties written back	4	–	(2,338)
Interest income on convertible loans to an associate	20	(470)	(660)
Loss on disposal of club membership	20	–	5
Loss on disposal of subsidiaries	20	–	116
Fair value (gain)/loss on foreign currency forward contracts	20	(60)	117
Property, plant and equipment written off	20	51	10
REIT management fee received/receivable in units		(4,483)	(3,957)
Share of profit of associates		(3,950)	(9,203)
		4,694	(3,228)
Changes in working capital:			
Trade and other receivables		(8,445)	1,252
Trade and other payables		7,903	1,732
Cash generated from/(used in) operations		4,152	(244)
Income taxes refunded		46	359
Income taxes paid		(2,844)	(5,006)
Net cash from/(used in) operating activities		1,354	(4,891)
Cash flows from investing activities			
Acquisition of shares in associates		(825)	(502)
Cash contribution paid by non-controlling interest		2,737	–
Dividends received:			
– an associate		520	502
– financial assets at fair value through profit or loss		1,899	1,972
– available-for-sale financial assets		3,184	2,832
Finance income received		2,173	2,459
Loan to associates		–	(1,685)
Loans to related parties		–	(4,293)
Proceeds from sale of property, plant and equipment		251	608
Proceeds from disposal of subsidiaries, net of cash disposed		–	(27)
Proceeds from sale of RCCPS in an associate		1,080	–
Proceeds from sale of other investments		–	5,135
Purchase of other investments		(291)	(4,152)
Purchase of property, plant and equipment		(63,588)	(28,849)
Receipt of interest income on loans to associates		–	208
Redemption of convertible loan to an associate		3,000	2,251
Repayment of loan by an associate		224	1,001
Repayment of loan by related parties		1,970	4,094
Net cash used in investing activities		(47,666)	(18,446)

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

CONSOLIDATED STATEMENT
OF CASH FLOWS (CONT'D)

Year ended 30 April 2013

	Note	Group 2013 $'000	Group 2012 $'000
Cash flows from financing activities			
Dividend paid to non-controlling interests of subsidiaries		–	(490)
Dividend paid to shareholders of the Company	(ii)	(2,774)	(4,564)
Finance costs paid		(1,700)	(856)
Payment of finance lease liabilities		(1,738)	(1,612)
Proceeds from borrowings		70,813	32,502
Purchase of treasury shares		(82)	(391)
Repayment of borrowings		(8,578)	(901)
Net cash from financing activities		55,941	23,688
Net increase in cash and cash equivalents		9,629	351
Cash and cash equivalents at beginning of year		27,945	27,670
Effect of exchange rate fluctuations on cash and cash equivalents		181	(76)
Cash and cash equivalents at end of year	10	37,755	27,945

(i) Attributable net assets of subsidiaries acquired are as follows:

	Group 2013 $'000	Group 2012 $'000
Other receivables	–	1,490
Intangible asset	–	497
Non-controlling interests	–	(745)
Net identifiable assets/(liabilities) acquired	–	1,242
Goodwill	–	–
Total purchase consideration	–	1,242
Less: Cash consideration not yet paid	–	(1,242)
Cash outflow on acquisition	–	–

(ii) Significant non-cash transaction:

During the year, the Company issued new ordinary shares for value of $7,551,000 (2012: $4,318,000) by way of offsetting the dividend payables to the shareholders (see note 11).

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 25 July 2013.

1 DOMICILE AND ACTIVITIES

Freight Links Express Holdings 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 Company as at and for the year ended 30 April 2013 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, heavy vehicles parking lot operator, investment holding and real estate fund and property management services.

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 Singapore Financial Reporting Standards (FRS).

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 estimate is 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 are described in the following notes:

Note 4	– measurement of recoverable amounts and depreciation expense of property, plant and equipment
Note 5	– measurement of recoverable amount of goodwill and amortisation expense of intangible assets
Note 6	– valuation of investments in subsidiaries
Note 7	– valuation of convertible loans to and redeemable cumulative preference shares in associates
Note 25	– measurement of allowance for doubtful receivables
Note 25 & 26	– valuation of financial assets at fair value through profit or loss and available-for-sale financial assets

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

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 at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

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

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration 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.

Subsidiaries

Subsidiaries are entities controlled by the Group. 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

Associates are those entities in which the Group has influence, but not control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Investments in associates are accounted for using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investments includes transactions costs.

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 or has made payments on behalf of the investee.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary. Any difference between the adjustment to non-controlling interests and the fair value of consideration paid is recognised directly in equity and presented as part of equity attributable to owners of the Company.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates 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

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

3.2 Foreign currencies

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.

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 end of 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 translated at the closing rate. 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 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, significant influence or joint control 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 or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currencies (cont'd)

Foreign operations (cont'd)

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 are considered to form part of a net investment in a foreign operation. These 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. 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 has the following non-derivative financial assets: 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 are recognised in profit or loss.

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, and trade and other receivables including compound financial instruments.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Non-derivative financial assets (cont'd)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits with original maturities of three months or less.

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 classified as derivative financial assets and changes in the fair values of the embedded options are taken to profit or loss.

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. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3.8), 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 is stated at cost less impairment losses.

Available-for-sale financial assets comprise equity securities and debt securities.

Non-derivative financial liabilities

The Group initially recognises financial liabilities (including liabilities designated at fair value through profit or loss) 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, bank overdrafts and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Financial instruments (cont'd)

Share capital

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.

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.

Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposures. 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, and the costs of dismantling and removing the items and restoring the site on which they are located. 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 is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other operating expenses 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

Depreciation (cont'd)

Depreciation is recognised 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. 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 are not depreciated. Freehold land 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 is 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 method over the estimated useful live 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

Year ended 30 April 2013

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 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.

3.7 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.

3.8 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss 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 has occurred after the initial recognition of the asset, and that the loss event had a negative 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.

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 a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

Non-derivative financial assets (cont'd)

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 impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than 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.

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 is tested 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 has 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 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 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 and that benefits are discounted to determine its present value. 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.

3.10 Revenue recognition

Services

Revenue from outward freight forwarding is recognised upon shipment. Revenue from inward freight forwarding is recognised when goods are delivered. Revenue from warehousing and logistics, and chemical and logistics services are recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

Rental income

Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income to be received.

Management fees

Revenue from management fees business is recognised only when it is probable that the economic benefit associated with the provision of services will flow to the Group.

Dividend income

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

3.11 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 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 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.

3.13 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 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. 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.

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.

3.14 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 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's CEO 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 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.

3.16 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 2012, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group.

4 PROPERTY, PLANT AND EQUIPMENT

Group	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
Cost						
At 1 May 2011	68,323	13,501	19,056	6,251	219	107,350
Additions	6,607	3,131	8,201	666	13,333	31,938
Disposals/Write-offs	–	(3,258)	(5,944)	(260)	–	(9,462)
Disposal of subsidiary	–	–	(138)	(112)	–	(250)
Translation differences	43	(101)	(20)	3	–	(75)
Reclassifications	–	–	–	80	(80)	–
At 30 April 2012	74,973	13,273	21,155	6,628	13,472	129,501
Additions	1,946	1,586	12,084	313	51,251	67,180
Disposals/Write-offs	–	(832)	(987)	(150)	–	(1,969)
Translation differences	237	(17)	10	5	1	236
Reclassifications	4,636	–	–	–	(4,636)	–
At 30 April 2013	81,792	14,010	32,262	6,796	60,088	194,948
Accumulated depreciation and impairment losses						
At 1 May 2011	20,341	4,842	13,859	4,154	–	43,196
Depreciation for the year	1,909	1,256	1,391	798	–	5,354
Impairment losses written back	(2,338)	–	–	–	–	(2,338)
Disposals/Write-offs	–	(1,679)	(5,841)	(227)	–	(7,747)
Disposal of subsidiary	–	–	(138)	(83)	–	(221)
Translation differences	232	(51)	(29)	1	–	153
At 30 April 2012	20,144	4,368	9,242	4,643	–	38,397
Depreciation for the year	2,128	1,671	2,176	658	–	6,633
Disposals/Write-offs	–	(683)	(971)	(76)	–	(1,730)
Translation differences	22	(13)	14	4	–	27
At 30 April 2013	22,294	5,343	10,461	5,229	–	43,327
Carrying amounts						
At 1 May 2011	47,982	8,659	5,197	2,097	219	64,154
At 30 April 2012	54,829	8,905	11,913	1,985	13,472	91,104
At 30 April 2013	59,498	8,667	21,801	1,567	60,088	151,621

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

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 2011	757	225	37	1,019
Additions	387	20	–	407
Disposals	(375)	(20)	–	(395)
At 30 April 2012	769	225	37	1,031
Additions	380	16	–	396
At 30 April 2013	1,149	241	37	1,427
Accumulated depreciation				
At 1 May 2011	440	203	36	679
Depreciation for the year	77	13	–	90
Disposals	(258)	(20)	–	(278)
At 30 April 2012	259	196	36	491
Depreciation for the year	115	12	–	127
At 30 April 2013	374	208	36	618
Carrying amounts				
At 1 May 2011	317	22	1	340
At 30 April 2012	510	29	1	540
At 30 April 2013	775	33	1	809

Construction work-in-progress

Cost of construction work-in-progress comprises:

	Group 2013 $'000	Group 2012 $'000
Development costs	53,664	11,511
Leasehold land rental	841	362
Property taxes, interest and other overheads	4,112	1,420
Heavy and warehouse equipment	1,471	179
	60,088	13,472

In 2012, the Group has accepted JTC Corporation's offer of 41,963 square metres of land at Banyan Drive, Jurong Island with the intention of constructing a new multi-storey dangerous and non-dangerous chemical warehouse on the site. The Group has commenced construction of the new warehouse, with costs capitalised up to the reporting date totalling $64,298,000 (2012: $13,152,000).

During the year, interest expense of approximately $1,543,000 (2012: $193,000) was capitalised by the Group as cost of construction work-in-progress. The capitalisation rate was based on the cost of borrowing of 2.14% (2012: 2.5%).

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Impairment

As at 30 April 2013, management evaluated the financial performance of the Group's property, plant and equipment and did not identify any indication of impairment.

As at 30 April 2012, the Group wrote back impairment losses of $2,338,000 related to a property at 30 Tuas Avenue 10 and the reversal was recorded under other income in profit or loss.

The following were the significant accounting estimates and judgements made by the Group to value its property, plant and equipment as at 30 April 2012.

The Group has substantial investments in property, plant and equipment in its warehousing and logistics business, and chemical storage and logistics business. Management evaluates the financial performance of the Group's property, plant and equipment annually and performed an impairment assessment at year end. For impairment assessment purposes, each of the properties and the related plant and machinery is a separate cash-generating unit (CGU). The Group has a total of 4 CGUs in the warehousing and logistics business and 2 CGUs in chemical and storage business.

The carrying value of property, plant and equipment of a CGU is substantially made up of the carrying value of the CGU's properties.

For all CGUs, the recoverable amount of the properties is the fair value less costs to sell. The fair value of the properties was determined based on open market values appraised by independent professional valuers, Colliers International Consultancy Valuation (Singapore) Pte Ltd, Wuxi You Xin Asset Appraisers Co. Ltd and Chesterton Suntec International Pte Ltd, close to the reporting date.

Assets under finance leases

The Group leases motor vehicles, trucks and prime movers under a number of finance lease agreements. As at 30 April 2013, the net carrying amount of leased plant and equipment was $7,556,000 (2012: $7,109,000).

During the year, the Group acquired property, plant and equipment with an aggregate cost of $67,180,000 (2012: $31,938,000), of which $2,632,000 (2012: $3,185,000) 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 14:

	Group	
	2013	**2012**
	$'000	**$'000**
Net book value		
Leasehold properties and construction-in-progress	110,944	61,488

Source of estimation uncertainty and critical judgement

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 at 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

Year ended 30 April 2013

5 INTANGIBLE ASSETS

	Note	Goodwill on consolidation $'000	Customer list $'000	Total $'000
Group				
Cost				
At 1 May 2011		1,599	–	1,599
Acquisition through business combinations	(a)	497	–	497
At 30 April 2012		2,096	–	2,096
Reclassification	(a)	(497)	497	–
Effect of exchange rate fluctuation		–	(3)	(3)
At 30 April 2013		1,599	494	2,093
Accumulated amortisation costs and impairment losses				
At 1 May 2011		145	–	145
Impairment loss		982	–	982
At 30 April 2012		1,127	–	1,127
Amortisation		–	166	166
At 30 April 2013		1,127	166	1,293
Carrying amounts				
At 1 May 2011		1,454	–	1,454
At 30 April 2012		969	–	969
At 30 April 2013		472	328	800

(a) At 30 April 2012, the purchase price allocation (PPA) exercise for the acquisition of Muto Global Pte. Ltd. (MGPL) was incomplete, and the Group recognised the goodwill on a provisional basis.

During 2013, an amount of $497,000 previously classified as goodwill has been reclassified to customer list based on fair values assigned to customer list on completion of the PPA exercise. (see note 23)

Impairment assessment for cash-generation units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating businesses. The aggregate carrying amounts of goodwill allocated to each CGU are as follows:

	Group 2013 $'000	Group 2012 $'000
Management fees business	472	472
Warehousing and logistics business	–	497
	472	969

The recoverable amount of the management fee business 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 result for 2013 as the baseline year. Growth in sales of 3% was assumed for the 5 years and no terminal growth rate was considered.

A pre-tax discount rate of 7.12% (2012: 7.9%) 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).

In 2012, the carrying amount of the goodwill allocated to chemical and storage business was determined to be higher than its recoverable amount and an impairment loss of $982,000 was recognised to fully impair the goodwill allocated to chemical and storage business. The impairment loss was included in other operating expenses in profit or loss.

6 SUBSIDIARIES

	Company 2013 $'000	Company 2012 $'000
Equity investments, at cost	18,362	18,362
Less: Accumulated impairment losses		
At beginning of the year	(6,113)	(4,113)
Impairment losses recognised	–	(2,000)
At end of the year	(6,113)	(6,113)
	12,249	12,249

Details of significant subsidiaries of the Group are as follows:

Name of subsidiary	Country of incorporation	Effective equity held by the Group 2013 %	2012 %
Freight Links Express Pte Ltd*	Singapore	100	100
Freight Links Logistics Pte Ltd*	Singapore	100	100
Freight Links Express Distripark Pte Ltd*	Singapore	100	100
Crystal Freight Services Pte Ltd*	Singapore	100	100
Freight Links Express Logisticentre Pte Ltd*	Singapore	100	100
Freight Links Express Districentre Pte Ltd*	Singapore	100	100
Crystal Freight Services Distripark Pte Ltd*	Singapore	100	100
Freight Links E-logistics Technopark Pte Ltd*	Singapore	100	100
Freight Links Fabpark Pte Ltd*	Singapore	100	100
Freight Links Express Air Systems Pte Ltd*	Singapore	100	100
Freight Links Express Logisticpark Pte Ltd*	Singapore	100	100
Singapore Enterprises Private Limited*	Singapore	100	100
LTH Logistics (Singapore) Pte Ltd*	Singapore	51	51
LTH Distripark Pte Ltd*	Singapore	51	51
Lee Thong Hung Trading and Transport Sdn. Bhd.**	Malaysia	50.8	50.8
Freight Links Express (Thailand) Co., Ltd***	Thailand	49	49
Freight Links (Jiangsu) Co., Ltd****	People's Republic of China	65.5	65.5
Sanlu Logistics Co., Ltd****	People's Republic of China	100	100
Sabana Investment Partners Pte Ltd*	Singapore	51	51
Sabana Real Estate Investment Management Pte Ltd*	Singapore	51	51
Sabana Property Management Pte Ltd*	Singapore	51	51
Muto Global Pte Ltd*	Singapore	50	50

* Audited by KPMG LLP Singapore
** Audited by SE Lai CK
*** Audited by member firm of KPMG International
**** Audited by Zhonghua Certified Public Accountant

Although the Group owns less than or only half of the voting rights of Freight Links Express (Thailand) Co., Ltd and Muto Global Pte. Ltd., respectively, the Group is able to govern the financial and operating policies and control the composition of the board of directors by virtue of the shareholders' agreements. Consequently, the Group consolidates its investments in these companies as subsidiaries of the Group.

The recoverable amounts of the investments in subsidiaries were determined based on the estimated net selling price of the subsidiaries which approximates the net assets of the subsidiaries. At the reporting date, the Company reassessed the recoverable amounts of its investments in subsidiaries based on available financial information and recognised impairment loss of $nil (2012: $2,000,000) to the Company's profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

7 ASSOCIATES

	Group		Company	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Convertible loans to an associate	6,147	8,489	6,147	8,489
Redeemable cumulative convertible preference shares in an associate	11,907	12,961	10,827	10,845
Loans and receivables	18,054	21,450	16,974	19,334
Investment in associates	42,436	38,865	19,019	19,019
	60,490	60,315	35,993	38,353

Convertible loans to an associate

	Group and Company	
	2013	**2012**
	$'000	**$'000**
At beginning of the year	8,489	9,705
Redemption	(3,000)	(2,251)
Interest income	470	660
Unrealised exchange gain recognised in profit or loss	188	375
At end of the year	6,147	8,489

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

Name of associate	**Country of incorporation**
Fudao Petrochemicals Group Pte Ltd (Fudao)*	Singapore

* Audited by Goh Nigap Suan & Co

Fudao is regarded as an associate of the Group as the Company 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 10% (2012: 10%) per annum. The effective interest rate is 10% (2012: 10%) per annum.

(d) Unless converted into new fully paid-up ordinary shares in the capital of Fudao, the convertible loan shall be repaid in cash, with all accrued and unpaid interest to the Company. The loan is convertible into equity shares in Fudao if specific performance criteria are met and upon conversion, the Company shall hold between 27% and 50% of the issued share capital of Fudao. At the reporting date, the specific performance criteria for conversion have not been met.

(e) The fair value of the convertible loans as at the reporting date is approximately $6,147,000 (2012: $8,489,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

7 ASSOCIATES (CONT'D)

Redeemable cumulative convertible preference shares (RCCPS) in an associate

	Group		Company	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
At beginning of the year	12,961	12,796	10,845	10,755
Unrealised exchange (loss)/gain recognised in profit or loss	(18)	90	(18)	90
Disposal	(1,080)	–	–	–
Exchange gain recognised in equity for RCCPS held by a foreign subsidiary	44	75	–	–
At end of the year	11,907	12,961	10,827	10,845

(a) Details of the associate are as follows:

Name of associate	**Country of incorporation**
China GSD Logistics Pte Ltd (GSD)*	Singapore

* Audited by Goh Nigap Suan & Co

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

(b) Terms and conditions of the RCCPS:

(i) Each RCCPS shall confer on the Company 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% (2012: 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 Company has priority in the repayment of capital together with any arrears of any declared but unpaid dividend on a cumulative basis. In addition, the Company 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 Company into 1 ordinary share in the capital of GSD. The Company 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 Company 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 Company shall hold 39.04% of the issued share capital of GSD.

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

(d) The fair value of the RCCPS as at the reporting date is approximately $11,907,000 (2012: $12,961,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

7 ASSOCIATES (CONT'D)

Investment in associates

Details of significant associates are as follows:

Name of associate	Country of incorporation	Effective equity held by the Group 2013 %	2012 %
Freight Management Holdings Bhd (FMHB)*	Malaysia	20	20
China Southwest Energy Corporation Ltd (China SW)**	Hong Kong	25.5	25.5
Sentosa Capital Pte Ltd***	Singapore	30	30

* Audited by BDO Kuala Lumpur
** Audited by Grant Thornton Shanghai (2012: PWC Shanghai)
*** Audited by Entrust Public Accounting Corporation

In January 2011, the Company entered into Share Sales & Purchase Agreement (S&P Agreement) with a major shareholder of China SW in respect of convertible preferred shares. Terms and conditions of S&P Agreement are as follows:

(a) The Company 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 S&P Agreement; the Company did not redeem the preferred shares on 1 February 2012.

(b) In the event that the Company does not redeem the preferred shares by 1 February 2012, the major shareholder of China SW warrants to pay to the Company an additional interest of 7.5% per annum of the consideration.

(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 shareholders at the subscription price of the preferred shares 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 Company into 1 ordinary share in the capital of China SW. As at the reporting date, the Company has not exercised its rights to convert the preferred shares and retains its rights to do so.

7 ASSOCIATES (CONT'D)

Summarised financial information of associates

The summarised financial information of Fudao and GSD are included in the aggregate financial information set out below. The results of these associates are not equity accounted as the Company does not hold equity interest in them.

The summarised financial information relating to associates is not adjusted for the percentage of ownership held by the Group. The financial information of the associates based on unadjusted financial statements for 12 months period is as follows:

	Group	
	2013	**2012**
	$'000	**$'000**
Assets and liabilities		
Total assets	400,291	383,830
Total liabilities	165,829	136,697
Results		
Revenue	259,771	271,472
Profit after tax	16,315	38,318

The Group evaluates annually whether there is any objective evidence that the convertible loans and RCCPS 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.

8 OTHER INVESTMENTS

	Group		Company	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Non-current investments				
Available-for-sale financial assets				
– quoted equity securities	49,946	31,288	–	–
– unquoted equity securities	336	245	–	–
Restricted fixed deposits	85	80	–	–
Club membership	28	12	–	–
	50,395	31,625	–	–
Current investments				
Financial assets at fair value through profit or loss				
– quoted equity securities	83,866	73,543	54,570	45,381
– quoted debt securities	22,750	21,537	22,750	21,537
	106,616	95,080	77,320	66,918
	157,011	126,705	77,320	66,918

Interest-bearing debt securities of the Group and the Company with a carrying amount of $22,750,000 at 30 April 2013 (2012: $21,537,000) have stated interest rates of 4.85% (2012: 4.85%) per annum and maturing on 6 May 2013.

The quoted equity securities of $64,749,000 (2012: $45,538,000) have been pledged as security to secure bank loans and other credit facilities extended to the Company as set out in note 14.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

9 TRADE AND OTHER RECEIVABLES

	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Non-current assets					
Non-trade amounts due from subsidiaries	(a)	–	–	82,589	80,131
Loans to subsidiaries	(b)	–	–	151,189	134,444
Impairment losses		–	–	(62,641)	(80,249)
Net receivables		–	–	171,137	134,326
Deposits		–	70	–	–
Loans and receivables		–	70	171,137	134,326
Prepayments		5	20	–	–
		5	90	171,137	134,326
Current assets					
Trade receivables:					
– subsidiaries		–	–	959	721
– third parties		33,140	24,239	–	–
		33,140	24,239	959	721
Impairment losses		(691)	(664)	–	–
Net trade receivables		32,449	23,575	959	721
Loan to an associate	(c)	459	683	–	–
Amounts due from related parties	(d)	2,426	2,758	224	211
Loan to a related party	(e)	–	1,960	–	–
Deposits		987	414	4	2
Tax recoverable		37	12	–	–
Interest receivables		895	572	866	525
Other receivables		1,661	2,693	182	322
Loans and receivables		38,914	32,667	2,235	1,781
Advances		–	4	–	–
Consumables		201	149	–	–
Other prepayments		3,701	3,125	35	26
		42,816	35,945	2,270	1,807

(a) Non-trade amounts due from subsidiaries are unsecured, interest-free and not expected to be repaid within the next twelve months from the reporting date.

(b) Loans to subsidiaries are unsecured and are not expected to be repaid within the next twelve months. Interest is charged at 1.00% above market swap rate determined at the beginning of each month on the net receivables. The average effective interest rate at reporting date was 1.25% (2012: 1.23%) per annum.

(c) Loan to an associate bears interest at 9.75% per annum, is unsecured and repayable on demand.

(d) Amounts due from related parties are unsecured, interest-free and are repayable on demand.

(e) Loan to a related party bore interest at 9.77% per annum and the amount was repaid in August 2012.

10 CASH AND CASH EQUIVALENTS

	Group		Company	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank and in hand	33,777	22,759	1,241	3,898
Deposits with banks	5,398	6,538	–	500
Cash and cash equivalents	39,175	29,297	1,241	4,398
Bank overdrafts (note 14)	(1,420)	(1,352)		
Cash and cash equivalents in the consolidated statement of cash flows	37,755	27,945		

Included in cash and cash equivalents are amounts of $15,844,000 (2012: $2,348,000) held in countries under foreign exchange controls.

The weighted average effective interest rate per annum relating to cash and cash equivalents, excluding bank overdrafts, at the reporting date for the Group ranges from 0.03% to 3.27% (2012: 0.06% to 3.35%). Interest rates reprice at intervals of three months.

11 SHARE CAPITAL

	Group and Company	
	2013	**2012**
	No. of shares ('000)	**No. of shares ('000)**
Fully paid ordinary shares, with no par value:		
At beginning of the year	2,301,508	2,223,001
Issue of new shares	132,483	78,507
At end of the year	2,433,991	2,301,508

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 12 October 2012 and 21 October 2011, the Company issued 132,482,693 (2012: 78,507,355) new ordinary shares for value of $7,551,513 (2012: $4,317,902) to eligible shareholders who have elected to participate in the Scrip Dividend Scheme in respect of the dividend declared and paid for the financial year ended 30 April 2012 and 30 April 2011, respectively.

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. Based on historical results attained in past 5 years, the Group targets to achieve a return on shareholders' equity (ROE) of between 14.0% and 18.0%. In 2013, the Group achieved a ROE of 16.6% (2012: 17.6%).

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 1.0. The net debt-to-equity ratio was 0.30 as at 30 April 2013 (2012: 0.08).

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

11 SHARE CAPITAL (CONT'D)

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:

	Group and Company	
	2013	**2012**
	$'000	**$'000**
First and final dividend paid in respect of the previous financial year of 0.45 cents (2012: 0.40 cents) per share	10,325	8,882
	10,325	8,882

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	
	2013	**2012**
	$'000	**$'000**
First and final dividend paid in respect of the current financial year of 0.50 cents (2012: 0.45 cents) per share	12,128	10,325

12 RESERVES

	Group		Company	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Fair value reserve	10,178	(2,423)	–	–
Foreign currency translation reserve	1,902	1,533	–	–
Treasury shares	(473)	(391)	(473)	(391)
Capital reserve	7,082	7,082	7,082	7,082
	18,689	5,801	6,609	6,691
Accumulated profits	121,172	93,136	70,348	42,557
	139,861	98,937	76,957	49,248

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 whose functional currencies are different from the functional currency of the Company.

The treasury shares reserve comprises the cost of the Company's shares held by the Group. On 30 April 2013, the Group held 8,345,000 of the Company's shares. (2012: 7,120,000)

Capital reserve arises from the issue and exercise of warrants.

The accumulated profits of the Group include an amount of $18,038,000 (2012: $14,088,000) attributable to associates.

13 SHARE OPTIONS

FLEH Share Option Scheme

The FLEH Share Option Scheme (the Scheme) was approved by members of the Company at an Extraordinary General Meeting held on 28 June 2004. The Scheme is administered by the Company's Remuneration Committee.

The following persons shall be eligible to participate in the Scheme at the absolute discretion of the Remuneration Committee:

(i) in relation to the Group:

(a) all the directors of the Company and its subsidiaries; and
(b) all confirmed full-time employees of the Group who are not less than 21 years old;

(ii) in relation to the immediate holding company:

(a) all the directors of the immediate holding company and its subsidiaries; and
(b) all confirmed full-time employees of the immediate holding company and its subsidiaries who are not less than 21 years old;

(iii) in relation to the associated companies:

(a) all the directors of associated companies; and
(b) all confirmed full-time employees of associated companies who are not less than 21 years old;

who, in the opinion of the Remuneration Committee, have contributed to the success and the development of the Group.

Person who is Controlling Shareholder or his associate shall not participate in the Scheme unless:

(i) clear justification have been provided to shareholders for their participation;

(ii) their participation and the actual number and terms of any option to be granted to them have been specifically approved by independent shareholders of the Company in a general meeting in separate resolutions for each such Controlling Shareholder; and

(iii) all conditions for their participation in the Scheme as may be required by the regulations of the SGX-ST from time to time are satisfied.

Controlling Shareholders and his associates refer to Eric Khua Kian Keong, the Chief Executive Officer of the Company and Khua Hock Su, the Non-Executive Chairman.

The Remuneration Committee shall have absolute discretion to decide whether a person who is participating in this Scheme shall be eligible to participate in any other share option scheme implemented by the Company or any other Company within the Group.

Other information regarding the Scheme is set out below:

(i) The options are exercisable to subscribe for new ordinary shares in the capital of the Company;

(ii) The options may be exercised, in whole or in part in respect of 1,000 shares or any multiple thereof, by an option holder giving notice in writing to the Company and accompanied by the remittance for the aggregate subscription cost; and

(iii) The persons to whom the options have been issued have no right to participate by virtue of the options in any share issue of any other company.

No share option has been issued under the Scheme.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

14 LOANS AND BORROWINGS

	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Non-current liabilities					
Floating rate term loans		56,531	19,260	1,803	2,548
Finance lease liabilities		3,783	2,706	–	–
		60,314	21,966	1,803	2,548
Current liabilities					
Bank overdrafts	10	1,420	1,352	–	–
Floating rate term loans		8,773	2,236	740	742
Fixed rate term loans		36,100	17,620	36,100	13,700
Finance lease liabilities		1,381	1,556	–	–
		47,674	22,764	36,840	14,442
		107,988	44,730	38,643	16,990

The term loans of the Company and certain subsidiaries of $48,357,000 (2012: $26,051,000) are secured by legal mortgages over the leasehold properties of the Group as disclosed in note 4. The term loan of the Company of $33,400,000 is secured by the quoted equity securities as disclosed in note 8.

Terms and debt repayment schedule

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

	Nominal interest rate %	Year of maturity	2013 Face value $'000	2013 Carrying amount $'000	2012 Face value $'000	2012 Carrying amount $'000
Group						
Floating rate term loans	1.00% – 2.00% above SIBOR rate	2014 – 2021	9,087	9,087	10,339	10,339
	1.55% above bank's 3 months cost of funds	2019	14,404	14,404	3,157	3,157
	1.25% – 2.00% above swap rate	2013 – 2016	40,750	40,750	8,000	8,000
	MLR minus 1.00% – 1.50%	2014 – 2019	1,063	1,063	–	–
Fixed rate term loans	1.41% – 8.27%	2013	36,100	36,100	17,620	17,620
Finance lease liabilities	1.16% – 8.72%	2014 – 2022	5,164	5,164	4,262	4,262
Bank overdrafts	6.30% – 7.85%	–	1,420	1,420	1,352	1,352
			107,988	107,988	44,730	44,730
Company						
Floating rate term loans	2.00% above SIBOR rate	2014	2,543	2,543	3,290	3,290
Fixed rate term loans	1.41% – 2.38%	2014	36,100	36,100	13,700	13,700
			38,643	38,643	16,990	16,990

Finance lease liabilities

At 30 April, the Group and the Company have obligations under finance leases that are payable as follows:

	Principal 2013 $'000	Interest 2013 $'000	Payments 2013 $'000	Principal 2012 $'000	Interest 2012 $'000	Payments 2012 $'000
Group						
Repayable within one year	1,381	291	1,672	1,556	216	1,772
Repayable after one year but within five years	2,652	609	3,261	2,706	200	2,906
Repayable after five years	1,131	233	1,364	–	–	–
Total	5,164	1,133	6,297	4,262	416	4,678

15 TRADE AND OTHER PAYABLES

	Note	Group 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Non-current liabilities					
Non-trade amounts due to subsidiaries	(a)	–	–	4,291	3,202
Loans from subsidiaries	(b)	–	–	84,219	99,036
Deferred revenue	(c)	30,778	50,217	–	–
Government grant received in advance	(d)	4,000	–	–	–
Long-term employee benefits	(e)	2,826	2,640	2,495	2,336
		37,604	52,857	91,005	104,574
Current liabilities					
Trade payables		18,474	11,822	–	–
Deposits and advances		5,863	5,647	–	–
Deferred revenue	(c)	19,439	20,556	–	–
Amount due to related parties		1,229	956	–	–
Other payables		1,792	2,404	196	1,465
Accrued operating expenses		6,245	6,101	1,418	1,153
		53,042	47,486	1,614	2,618
Total trade and other payables		90,646	100,343	92,619	107,192

(a) The non-trade amounts due to subsidiaries are unsecured and interest-free, and are not expected to be repaid within the next twelve months from the reporting date.

(b) The loans from subsidiaries are unsecured and are not expected to be repaid within the next twelve months from the reporting date. Interest is charged at 1% above market swap rate determined at the beginning of each month on the net payables. The average effective interest rate at the reporting date was 1.25% (2012: 1.23%) per annum.

(c) Deferred revenue relates to the excess of sales proceeds over the fair values of the warehouse complexes disposed through sale and leaseback transactions. 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 $20,556,000 (2012: $21,990,000) has been recognised in the current financial year.

(d) Government grant received in advance relates to research and development using RFID technology for logistics business in China. The grant is subject to fulfilment of certain specific performance criteria as set out in the investment agreement.

(e) Long-term employee benefits payable to certain directors upon their retirement are provided for in the financial statements based on their entitlement under the employment contract.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

16 DEFERRED TAX

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

	At 1 May 2011 $'000	Recognised in profit or loss (note 19) $'000	Exchange differences $'000	At 30 April 2012 $'000	Recognised in profit or loss (note 19) $'000	Exchange differences $'000	At 30 April 2013 $'000
Group							
Deferred tax assets							
Property, plant and equipment	90	98	–	188	(38)	–	150
Provisions	119	(37)	(3)	79	6	4	89
Other items	8	(3)	–	5	(5)	–	–
Total	217	58	(3)	272	(37)	4	239
Deferred tax liabilities							
Property, plant and equipment	(417)	(259)	3	(673)	167	7	(499)
Other items	(4)	–	–	(4)	–	–	(4)
Total	(421)	(259)	3	(677)	167	7	(503)

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

	Company 2013 $'000	Company 2012 $'000
Deferred tax liabilities		
Other items	4	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 2013 $'000	Group 2012 $'000	Company 2013 $'000	Company 2012 $'000
Deferred tax assets	239	267	–	–
Deferred tax liabilities	(503)	(672)	(4)	(4)
	(264)	(405)	(4)	(4)

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

	Group 2013 $'000	Group 2012 $'000
Capital allowances	19,698	5,224
Tax losses	10,679	16,017
	30,377	21,241

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 capital allowances 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 3.13.

17 REVENUE

	Group 2013 $'000	Group 2012 $'000
Freight forwarding	64,291	64,111
Warehouse and logistics	42,339	24,457
Chemical storage and logistics	56,393	51,760
Management fees business	8,033	7,939
Other services rendered	–	1,087
Total revenue	171,056	149,354

18 FINANCE INCOME AND COSTS

	Group 2013 $'000	Group 2012 $'000
Interest income:		
– other receivables	2,437	896
– finance lease assets	–	311
– bank deposits	122	120
– loans to an associate	57	109
– debt securities	1,102	1,088
Finance income	3,718	2,524
Interest expense:		
– term loans	(1,061)	(497)
– bank overdrafts	(108)	(91)
– finance lease liabilities	(391)	(280)
– others	(22)	–
Finance costs	(1,582)	(868)
Net finance income	2,136	1,656

19 INCOME TAX

	2013 $'000	2012 $'000
Current tax expense		
Current year	2,970	2,733
Adjustment for prior years	793	322
	3,763	3,055
Deferred tax expense		
Reversal of temporary differences	(157)	(183)
Adjustment for prior years	27	384
	(130)	201
Income tax expense excluding share of income tax of associates	3,633	3,256
Share of income tax of associates	471	454
Total income tax expense	4,104	3,710

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

19 INCOME TAX (CONT'D)

	2013 $'000	2012 $'000
Reconciliation of effective tax rate		
Profit before income tax	44,849	37,963
Tax calculated using Singapore tax rate of 17%	7,624	6,454
Effect of different tax rates in other countries	104	239
Income not subject to tax	(6,522)	(5,652)
Expenses not deductible for tax purposes	585	1,893
Utilisation of previously unrecognised tax losses	(34)	(684)
Deferred tax assets not recognised	1,587	436
Underprovided in prior years	820	706
Tax incentive	(251)	(113)
Others	(286)	(23)
	3,627	3,256

20 PROFIT FOR THE YEAR

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

	Group	
	2013 $'000	2012 $'000
Other income:		
Gain on fair value of marketable securities	13,869	1,875
Interest income on convertible loans to an associate	470	660
Impairment loss on receivables written back	20	26
Impairment loss on leasehold properties written back	–	2,338
Fair value gain on foreign currency forward contract	60	–
Gain on disposal of property, plant and equipment	64	125
Gain on disposal of marketable securities	–	13
Dividend income:		
– financial assets at fair value through profit or loss	1,939	2,434
– available-for-sale financial assets	3,321	2,748
Management fee	38	–
Gain on fair value of currency forward contract	42	682
Foreign exchange gain	350	986
Others	406	61
	20,579	11,948
Other expenses:		
Audit fees paid to:		
– auditors of the Company	440	403
– other auditors	32	34
Non-audit fees paid to:		
– auditors of the Company	98	37
– other auditors	10	9
Contributions to defined contribution plans included in staff costs	2,977	3,757
Property, plant and equipment written off	51	10
Loss on disposal of club membership	–	5
Loss on fair value of foreign currency forward contract	–	117
Impairment loss on goodwill	–	982
Impairment loss on receivables	77	182
Loss on disposal of subsidiaries	–	116
Amortisation of intangible assets	166	–

21 EARNINGS PER SHARE

	Group 2013 $'000	Group 2012 $'000
Basic earnings per share is computed based on:		
Net profit attributable to ordinary shareholders	38,361	32,214
	No. of shares ('000)	**No. of shares ('000)**
Issued ordinary shares at beginning of the year	2,301,508	2,223,001
Effect of own shares held	(7,806)	(4,457)
Effect of ordinary shares issued	72,956	41,613
Weighted average number of ordinary shares at end of the year	2,366,658	2,260,157
	$'000	**$'000**
Diluted earnings per share is based on:		
Net profit attributable to ordinary shareholders	38,361	32,214

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 are no dilutive potential ordinary shares during the year.

22 SEGMENT REPORTING

The Group has 5 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 reviews internal management reports regularly. The following describes the operations in each of the Group's reportable segments:

Freight forwarding: provision of international freight forwarding services.

Warehousing and logistics: provision of distribution, storage and warehousing services, and records management and document storage.

Chemical storage and logistics: provision of chemical logistics, transportation and warehousing activities.

Management fees business: provision of real estate fund and property management services.

Other operations: provision of investment holdings and international project management in exhibitions and events. None of these segments meets any of the quantitative thresholds for determining reportable segment in 2013 or 2012.

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's 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 expenses, corporate assets and head office expenses.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

22 SEGMENT REPORTING (CONT'D)

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

Geographical segments

The freight forwarding, warehousing and logistics, chemical storage and logistics, and management fees business segments are managed on a worldwide basis, but operate in 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 forwarding $'000	Ware-housing and logistics $'000	Chemical storage and logistics $'000	Management fees business $'000	Other operations $'000	Eliminations $'000	Total operations $'000
Revenue							
2013							
External revenue	64,291	42,339	56,393	8,033	–	–	171,056
Inter-segment revenue	143	6,021	9	–	–	(6,173)	–
Total revenue	64,434	48,360	56,402	8,033	–	(6,173)	171,056
Results							
Segment results	4,028	(8,390)	2,433	4,097	18,722	–	20,890
Unallocated corporate costs							
– other corporate costs							(2,987)
Amortisation of intangible assets	–	(166)	–	–	–	–	(166)
Accretion of deferred revenue	–	20,556	–	–	–	–	20,556
Results from operating activities							38,293
Interest income from an associate	–	–	–	–	470	–	470
Finance income	154	153	–	2	3,409	–	3,718
Finance costs	(36)	(605)	(333)	(1)	(607)	–	(1,582)
Share of profit of associates							3,950
Profit before income tax							44,849
Income tax expense	(745)	(329)	97	(653)	(1,997)	–	(3,627)
Profit for the year	3,401	11,219	2,197	3,445	19,997	–	41,222
Other segmental information							
Gain on disposal of property, plant and equipment	–	37	27	–	–	–	64

22 SEGMENT REPORTING (CONT'D)

	Freight forwarding $'000	Ware-housing and logistics $'000	Chemical storage and logistics $'000	Management fees business $'000	Other operations $'000	Eliminations $'000	Total operations $'000
Revenue							
2012							
External revenue	64,111	24,457	51,760	7,939	1,087	–	149,354
Inter-segment revenue	1,741	5,634	6	–	–	(7,381)	–
Total revenue	65,852	30,091	51,766	7,939	1,087	(7,381)	149,354
Results							
Segment results	4,843	(9,700)	2,635	3,997	7,599	–	9,374
Unallocated corporate costs							
– other corporate costs							(3,938)
Impairment loss on goodwill	–	–	(982)	–	–	–	(982)
Accretion of deferred revenue	–	21,990	–	–	–	–	21,990
Results from operating activities							26,444
Interest income from an associate	–	–	–	–	660	–	660
Finance income	196	687	–	2	1,639	–	2,524
Finance costs	(2)	(405)	(278)	(3)	(180)	–	(868)
Share of profit of associates							9,203
Profit before income tax							37,963
Income tax expense	(963)	(82)	(1,103)	(573)	(535)	–	(3,256)
Profit for the year	4,074	12,490	272	3,423	9,183	–	34,707
Other segmental information							
Gain/(Loss) on disposal of subsidiary	–	–	4	–	(120)	–	(116)
Gain/(Loss) on disposal of property, plant and equipment	59	(57)	118	–	5	–	125
Write-back of impairment loss on leasehold properties	–	2,338	–	–	–	–	2,338

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

22 SEGMENT REPORTING (CONT'D)

	Freight forwarding $'000	Warehousing and logistics $'000	Chemical storage and logistics $'000	Management fees business $'000	Other operations $'000	Eliminations $'000	Total operations $'000
Assets and liabilities							
2013							
Segment assets	24,616	110,193	91,981	3,202	1,029	–	231,021
Tax recoverable							37
Associates							60,490
Other investments							157,011
Deferred tax assets							239
Unallocated assets							
– cash and cash equivalents							1,241
– others							2,118
Total assets							452,157
Segment liabilities	7,445	67,910	9,568	970	642	–	86,535
Financial liabilities							107,988
Deferred tax liabilities							503
Income tax liabilities							4,520
Other unallocated liabilities							4,111
Total liabilities							203,657
2012							
Segment assets	24,247	81,465	40,106	4,100	1,451	–	151,369
Tax recoverable							12
Associates							60,315
Other investments							126,705
Deferred tax assets							267
Other unallocated assets							
– cash and cash equivalents							4,398
– others							1,626
Total assets							344,692
Segment liabilities	7,634	79,716	6,575	894	568	–	95,387
Financial liabilities							44,730
Deferred tax liabilities							672
Income tax liabilities							3,542
Other unallocated liabilities							4,956
Total liabilities							149,287

22 SEGMENT REPORTING (CONT'D)

Other segment information

2013							
Capital expenditure	2,196	11,982	52,542	63	397	–	67,180
Depreciation	142	3,098	3,080	166	147	–	6,633
2012							
Capital expenditure	214	13,089	18,127	101	407	–	31,938
Depreciation	142	2,432	2,482	149	149	–	5,354

Geographical segments

	Singapore $'000	ASEAN (excluding Singapore) $'000	Asia $'000	America $'000	Oceania $'000	Europe $'000	Middle East $'000	Others $'000	Group $'000
2013									
Revenue from external customers	70,627	33,101	40,667	5,346	4,582	8,081	5,728	2,924	171,056
Non-current assets*	183,477	5,001	6,638	–	–	–	–	–	195,116
Capital expenditure	64,644	2,260	276	–	–	–	–	–	67,180
2012									
Revenue from external customers	66,594	28,867	28,182	5,944	4,222	7,536	5,461	2,548	149,354
Non-current assets*	121,147	3,643	6,447	–	–	–	–	–	131,237
Capital expenditure	24,038	1,234	6,666	–	–	–	–	–	31,938

* Excluding convertible loans to an associate, RCCPS in an associate, investment classified as available-for-sale, restricted fixed and non-current deposits.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

23 ACQUISITION OF SUBSIDIARY

Acquisition of MGPL

On 26 April 2012, the Group's wholly-owned subsidiary, Freight Links Logistics Pte Ltd (FLL), entered into a joint venture agreement to form a Singapore incorporated company, Muto Global Pte Ltd (MGPL). FLL has subscribed for 50% equity interest in MGPL for a cash consideration of $1,242,000. The consideration was arrived at on a willing-buyer and willing-seller basis and after taking into account the transfer of existing tank business and trademarks from Muto Co., Ltd, a company incorporated in South Korea.

The principal business activities of MGPL are those relating to the provision of ISO tank business and acting as a tank operator.

Although the Group owns only half of the voting rights of MGPL, the Group is able to govern the financial and operating policies and control the composition of the board of directors by virtue of the shareholders' agreement. Consequently, the Group consolidates its investment in MGPL as a subsidiary of the Group.

Taking control of MGPL will enable the Group to enter into tank operation business with established agency network in the Asian Market.

Identifiable assets acquired and liabilities assumed

	$'000
Other receivables	1,490
Intangible assets – customer list	497
Total identifiable net assets	1,987

Goodwill

As at 30 April 2012, the purchase price allocation exercise for the acquisition of MGPL was incomplete. During 2013, the purchase price allocation exercise has been completed. Based on the fair value of identifiable net assets, there is no goodwill recognised as a result of acquisition as follows:

	2012 **$'000**
Total consideration transferred	1,242
Non-controlling interests, based on the proportionate interest in the recognised amounts of the asset and liabilities of the acquiree	745
Fair value of identifiable net assets	(1,987)
Goodwill	–

Acquisition-related costs

The Group incurred acquisition-related costs of $9,000 related to external legal and due diligence costs. The legal fees and due diligence costs have been included in administrative expenses in the Group's income statement.

24 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 and investment securities.

Liquidity risk

Risk management policy

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

Year ended 30 April 2013

24 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 sales, 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) and Australian dollar (AUD). The Group operates internationally and is exposed to foreign currency risks arising from various currency exposures. 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.

25 FINANCIAL INSTRUMENTS

Accounting classifications and fair values

Set out below is an analysis of the Group's and the Company's financial instruments:

	Note	Loans and receivables $'000	Available-for-sale financial assets $'000	Financial assets at fair value through profit or loss $'000	Liabilities at amortised costs $'000	Total carrying amount $'000	Fair value $'000
Group							
30 April 2013							
Assets							
Associates	7	18,054	–	–	–	18,054	18,054
Other investments excluding club membership	8	85	50,282	106,616	–	156,983	156,983
Trade and other receivables excluding prepayments, advances and consumables	9	38,914	–	–	–	38,914	38,914
Cash and cash equivalents	10	39,175	–	–	–	39,175	39,175
		96,228	50,282	106,616	–	253,126	253,126
Liabilities							
Loans and borrowings	14	–	–	–	107,988	107,988	107,988
Trade and other payables excluding deferred revenue and government grant received in advance	15	–	–	–	36,429	36,429	36,429
		–	–	–	144,417	144,417	144,417
30 April 2012							
Assets							
Associates	7	21,450	–	–	–	21,450	21,450
Other investments excluding club membership	8	80	31,533	95,080	–	126,693	126,693
Trade and other receivables excluding prepayments, advances and consumables	9	32,737	–	–	–	32,737	32,737
Cash and cash equivalents	10	29,297	–	–	–	29,297	29,297
		83,564	31,533	95,080	–	210,177	210,177
Liabilities							
Loans and borrowings	14	–	–	–	44,730	44,730	44,730
Trade and other payables excluding deferred revenue	15	–	–	–	29,570	29,570	29,570
		–	–	–	74,300	74,300	74,300

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

25 FINANCIAL INSTRUMENTS (CONT'D)

	Note	Loans and receivables $'000	Financial assets at fair value through profit or loss $'000	Liabilities at amortised costs $'000	Total carrying amount $'000	Fair value $'000
Company						
30 April 2013						
Assets						
Associates	7	16,974	–	–	16,974	16,974
Other investments excluding club membership	8	–	77,320	–	77,320	77,320
Trade and other receivables excluding prepayments	9	173,372	–	–	173,372	173,372
Cash and cash equivalents	10	1,241	–	–	1,241	1,241
		191,587	77,320	–	268,907	268,907
Liabilities						
Loans and borrowings	14	–	–	38,643	38,643	38,643
Trade and other payables	15	–	–	92,619	92,619	92,619
		–	–	131,262	131,262	131,262
30 April 2012						
Assets						
Associates	7	19,334	–	–	19,334	19,334
Other investments excluding club membership	8	–	66,918	–	66,918	66,918
Trade and other receivables excluding prepayments	9	136,107	–	–	136,107	136,107
Cash and cash equivalents	10	4,398	–	–	4,398	4,398
		159,839	66,918	–	226,757	226,757
Liabilities						
Loans and borrowings	14	–	–	16,990	16,990	16,990
Trade and other payables	15	–	–	107,192	107,192	107,192
		–	–	124,182	124,182	124,182

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (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).

25 FINANCIAL INSTRUMENTS (CONT'D)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
30 April 2013				
Available-for-sale financial assets	50,032	–	–	50,032
Financial assets at fair value through profit or loss	41,694	64,922	–	106,616
	91,726	64,922	–	156,648
30 April 2012				
Available-for-sale financial assets	31,288	–	–	31,288
Financial assets at fair value through profit or loss	36,882	58,198	–	95,080
	68,170	58,198	–	126,368

Quoted equity and debt securities that are traded in market that are not considered to be active but are valued based on quoted prices are classified within Level 2.

During the financial year, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

Credit risk

Trade and other receivables

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

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

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Freight forwarding	11,251	11,332	531	473
Warehousing and logistics	12,188	8,630	48,215	39,159
Chemical storage and logistics	12,198	9,918	99,151	12,596
Management fees business	929	784	1	–
Others	2,348	2,073	25,474	83,879
	38,914	32,737	173,372	136,107

* Excludes prepayments, advances and consumables

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

25 FINANCIAL INSTRUMENTS (CONT'D)

Impairment losses

The aging of trade and other receivables* at the reporting date is:

	Gross 2013 $'000	Impairment losses 2013 $'000	Gross 2012 $'000	Impairment losses 2012 $'000
Group				
No credit terms	3,580	–	3,761	–
Not past due	19,555	–	19,835	(6)
Past due 0 – 30 days	8,822	–	4,333	(6)
Past due 31 – 120 days	6,402	–	3,961	(12)
More than 120 days	1,246	(691)	1,511	(640)
	39,605	(691)	33,401	(664)
Company				
No credit terms	1,052	–	849	–
Not past due	234,196	(62,641)	214,914	(80,249)
Past due 0 – 30 days	43	–	49	–
Past due 31 – 120 days	117	–	88	–
More than 120 days	605	–	456	–
	236,013	(62,641)	216,356	(80,249)

* Excludes prepayments, advances and consumables

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

	Group		Company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
At beginning of the year	664	588	80,249	90,867
Impairment loss recognised	68	182	–	–
Impairment loss utilised	(26)	(76)	–	–
Impairment loss written back	(20)	(26)	(17,608)	(10,618)
Translation differences	5	(4)	–	–
At end of the year	691	664	62,641	80,249

* Excludes prepayments, advances and consumables

The Group evaluates whether there is any objective evidence that trade receivables are impaired, and determines the amount of impairment loss as a result of the inability of the customers or counterparties to make required payments. The Group determines the estimates based on the ageing of trade receivables, credit-worthiness, and historical write-off experience. Management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the Group's trade and other receivables. If the financial conditions of the customers or counterparties were to deteriorate, actual write-offs would be higher than estimated.

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.

25 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk

The following are the contractual maturities of financial liabilities, 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					
2013					
Non-derivative financial liabilities					
Finance lease liabilities	5,164	(6,297)	(1,672)	(3,261)	(1,364)
Term loans	101,404	(104,060)	(46,052)	(51,443)	(6,565)
Bank overdrafts	1,420	(1,420)	(1,420)	–	–
Trade and other payables*	36,429	(36,843)	(33,603)	(1,722)	(1,518)
	144,417	(148,620)	(82,747)	(56,426)	(9,447)
2012					
Non-derivative financial liabilities					
Finance lease liabilities	4,262	(4,678)	(1,772)	(2,906)	–
Term loans	39,116	(40,450)	(20,361)	(14,511)	(5,578)
Bank overdrafts	1,352	(1,352)	(1,352)	–	–
Trade and other payables*	29,570	(29,980)	(26,930)	(1,626)	(1,424)
	74,300	(76,460)	(50,415)	(19,043)	(7,002)
Company					
2013					
Non-derivative financial liabilities					
Term loans	38,643	(38,714)	(36,892)	(1,822)	–
Trade and other payables	92,619	(93,033)	(1,614)	(90,153)	(1,266)
	131,262	(131,747)	(38,506)	(91,975)	(1,266)
2012					
Non-derivative financial liabilities					
Term loans	16,990	(17,260)	(14,643)	(2,617)	–
Trade and other payables	107,192	(107,602)	(2,618)	(103,799)	(1,185)
	124,182	(124,862)	(17,261)	(106,416)	(1,185)

* Excludes deferred revenue and government grant received in advance

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

25 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 was:

	Group		Company	
	2013	**2012**	**2013**	**2012**
	$'000	**$'000**	**$'000**	**$'000**
Fixed rate instruments				
Associates	6,147	8,489	6,147	8,489
Restricted fixed deposits	85	80	–	–
Loan to an associate	459	683	–	–
Loan to a related party	–	1,960	–	–
Debt securities	22,750	21,537	22,750	21,537
Deposits with banks	5,398	6,538	–	500
Term loans	(36,100)	(17,620)	(36,100)	(13,700)
Finance lease liabilities	(5,164)	(4,262)	–	–
	(6,425)	17,405	(7,203)	16,826
Variable rate instruments				
Loans to subsidiaries	–	–	151,189	134,444
Loans from subsidiaries	–	–	(84,219)	(99,036)
Term loans	(65,304)	(21,496)	(2,543)	(3,290)
Bank overdrafts	(1,420)	(1,352)	–	–
	(66,724)	(22,848)	64,427	32,118

Sensitivity analysis

For variable rate financial assets and liabilities, an increase of 100 basis points (bp) in interest rate at the reporting date would increase/(decrease) profit 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
	Profit	**Profit**
	$'000	**$'000**
30 April 2013		
Variable rate instruments	(554)	535
30 April 2012		
Variable rate instruments	(190)	267

There is no impact on equity.

25 FINANCIAL INSTRUMENTS (CONT'D)

Foreign currency risk

The Group's and the Company's exposures to foreign currency risk are as follows:

	2013 USD $'000	2013 RMB $'000	2013 AUD $'000	2012 USD $'000	2012 RMB $'000	2012 AUD $'000
Group						
Convertible loans to an associate and RCCPS in an associate	11,907	6,147	–	12,961	8,489	–
Other investments	31,869	–	12,913	36,661	–	16,391
Trade and other receivables	4,711	2,476	–	3,490	3,967	–
Cash and cash equivalents	8,550	10,346	5	3,255	2,929	–
Trade and other payables	(8,272)	(2,363)	–	(3,549)	(1,742)	–
Term loans	(16,948)	–	–	(6,446)	(3,920)	–
Finance Lease	(1,962)	–	–	–	–	–
	29,855	16,606	12,918	46,372	9,723	16,391
Company						
Convertible loans to an associate and RCCPS in an associate	10,827	6,147	–	10,845	8,489	–
Other investments	31,869	–	–	36,661	–	–
Trade and other receivables	913	–	–	1,535	–	–
Cash and cash equivalents	81	–	–	209	–	–
Trade and other payables	–	–	–	(108)	–	–
Term loans	(2,544)	–	–	(3,289)	–	–
	41,146	6,147	–	45,853	8,489	–

Sensitivity analysis

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

	Group Profit $'000	Company Profit $'000
30 April 2013		
USD	(2,478)	(3,415)
RMB	(1,378)	(510)
AUD	(1,072)	–
30 April 2012		
USD	(3,848)	(3,806)
RMB	(807)	(705)
AUD	(1,360)	–

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

25 FINANCIAL INSTRUMENTS (CONT'D)

Equity securities price risk

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

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 amount:

	Group Profit $'000	Company Profit $'000
30 April 2013		
Profit	7,888	5,457
Equity	5,028	–
30 April 2012		
Profit	6,876	4,538
Equity	3,153	–

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 2012 and assumes that all other variables remain constant.

26 DETERMINATION OF FAIR VALUE

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.

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, and interest-bearing borrowings) or those which reprices 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.

	2013 %	2012 %
Term loans	1.31 – 2.56	1.30 – 2.25
Convertible loans to associate	10	10
Finance lease liabilities	1.16 – 8.72	2.00 – 4.70

27 COMMITMENTS

Capital commitments

	2013 $'000	2012 $'000
Expenditure contracted for	62,548	33,154

The capital commitment relates to outstanding contracts in respect of the uncompleted chemical logistics hub on Jurong Island.

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

At 30 April 2013, the Group has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group	
	2013 $'000	2012 $'000
Within 1 year	32,636	31,455
After 1 year but within 5 years	64,155	82,003
After 5 years	19,878	18,933
	116,669	132,391

The Group leases out its properties. Non-cancellable operating lease rentals are receivable as follows:

	Group	
	2013 $'000	2012 $'000
Within 1 year	10,559	10,154
After 1 year but within 5 years	18,883	19,822
After 5 years	7,979	5,233
	37,421	35,209

28 CONTINGENT LIABILITIES (UNSECURED)

Intra-group financial guarantees comprise corporate guarantees granted by the Company to banks in respect of banking facilities amounting to $58,267,000 (2012: $15,276,000) 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 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 liabilities of these entities which are included in the consolidated financial statements as at 30 April 2013 amounted to $72,580,000 (2012: $92,314,000).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2013

29 RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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	
	2013 $'000	2012 $'000
Short-term employee benefits	3,662	3,852
Long-term employee benefits	159	1,310
Defined contribution plans	174	189
	3,995	5,351

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	
	2013 $'000	2012 $'000
Professional fees paid to TSMP Law Corporation	37	33

Mr Derek Loh Eu Tse is a director of Freight Links Express Holdings Limited and is a shareholder and director of TSMP Law Corporation.

30 SUBSEQUENT EVENTS

Proposed dividends

Subject to the approval by the shareholders at the next Annual General Meeting, the directors have proposed a first and final one-tier dividend of 0.50 cent per share amounting to approximately $12,128,000 for the financial year ended 30 April 2013. These financial statements do not reflect these proposed dividends, which will be accounted for in the statement of changes in equity as an appropriation of the accumulated profits in the financial year ending 30 April 2014.

Medium Term Note ("MTN") Programme

On 8 May 2013, the Company established a Multicurrency Medium Term Note Programme ("MTN Programme") amounting to S$400 million.

Under the MTN Programme, the Company may issue notes in Singapore dollars or any other currency as agreed between the relevant dealers of the MTN Programme and the Company. Notes may be issued in various amounts and tenors, and may bear interest at a fixed, floating, variable or hybrid rate or may not bear interest as may be agreed between the Company and the relevant dealers. The Notes and coupons of all series shall constitute direct, unconditional, unsubordinated and unsecured obligations of the Company 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 Company.

The net proceeds arising from the issue of the Notes under the MTN Programme will be used for general corporate purposes, including refinancing of borrowings, and financing investments and general working capital of the Group.

On 29 May 2013, the Company issued fixed rate notes amounting to S$100 million with a nominal interest rate of 4.6% per annum and a maturity date of 29 May 2017 under the MTN programme.

SUPPLEMENTARY INFORMATION

(SGX Listing Manual disclosure requirements)

1 DIRECTORS' REMUNERATION

Company's directors receiving remuneration from the Group

	Number of directors 2013	2012
Remuneration of:		
$500,000 to below $750,000	–	1
$250,000 to below $500,000	3	2
Below $250,000	3	3
	6	6

SHAREHOLDERS' INFORMATION

As at 15 July 2013

Issued and fully paid	2,433,990,830 ordinary shares
Issued and fully paid (excluding treasury shares)	2,425,645,830 ordinary shares
Class of Shares	Ordinary shares
Voting Right	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	% of Holders	No. of Shares	% of Shares
1 – 999	540	4.07	184,100	0.01
1,000 – 10,000	6,067	45.77	36,114,526	1.49
10,001 – 1,000,000	6,549	49.41	530,816,335	21.88
1,000,001 – and above	99	0.75	1,858,530,869	76.62
Grand Total	**13,255**	**100.00**	**2,425,645,830**	**100.00**

PERCENTAGE OF SHAREHOLDING HELD BY THE PUBLIC

The percentage of shareholding held by the public is approximately 44.60%. Accordingly, Rule 723 of the Listing Manual has been complied with.

TWENTY LARGEST SHAREHOLDERS

S/N	Name of Shareholders	No. of Shares	% of Holdings
1	Vibrant Capital Pte Ltd	610,508,052	25.17
2	Maybank Nominees (Singapore) Pte Ltd	244,598,141	10.08
3	CIMB Securities (Singapore) Pte Ltd	229,984,890	9.48
4	Hong Leong Finance Nominees Pte Ltd	215,686,422	8.89
5	Citibank Nominees Singapore Pte Ltd	85,706,692	3.53
6	United Overseas Bank Nominees (Private) Ltd	67,911,296	2.80
7	DBS Nominees Pte Ltd	46,545,027	1.92
8	UOB Kay Hian Pte Ltd	31,292,030	1.29
9	Tan Swee Teck Michael	30,355,158	1.25
10	OCBC Nominees Singapore Private Limited	27,767,031	1.14
11	Raffles Nominees (Pte) Ltd	25,123,237	1.04
12	OCBC Securities Private Ltd	19,540,731	0.81
13	Maybank Kim Eng Securities Pte Ltd	14,084,896	0.58
14	Phillip Securities Pte Ltd	11,418,508	0.47
15	Yim Chee Chong	10,100,000	0.42
16	Andrew Lim Chee Seng	9,533,632	0.39
17	DBS Vickers Securities (Singapore) Pte Ltd	7,085,999	0.29
18	Ho Seong Peng	5,845,128	0.24
19	Ong Chu Tek	5,595,000	0.23
20	Goh Ah Tee @ Goh Hui Chua	4,917,940	0.20
	Total	**1,703,599,810**	**70.22**

SHAREHOLDERS' INFORMATION

As at 15 July 2013

SUBSTANTIAL SHAREHOLDERS

As shown in the Company's Register of Substantial Shareholders

		Number of Shares	
Name of Substantial Shareholders	**Notes**	**Direct Interest**	**Deemed Interest**
Vibrant Capital Pte. Ltd.	–	1,278,071,425	Nil
Eric Khua Kian Keong	1	61,511,552	1,278,071,425
Lian Hup Holdings Pte. Ltd.	2	Nil	1,278,071,425
Khua Hock Su	3	Nil	1,278,100,115
Vincent Khua Kian Ann	4	Nil	1,278,071,425
Khua Kian Hua	4	Nil	1,278,071,425

Notes:

1) Mr Eric Khua Kian Keong is deemed to be interested in 1,278,071,425 shares held by Vibrant Capital Pte. Ltd. ("Vibrant") by virtue of his controlling interest in Vibrant.

2) Lian Hup Holdings Pte. Ltd. ("Lian Hup") is deemed to be interested in 1,278,071,425 shares held by Vibrant by virtue of its shareholding interest in Vibrant.

3) Mr Khua Hock Su is deemed to be interested in a total of 1,278,100,115 shares, of which 1,278,071,425 shares are held by Vibrant by virtue of his shareholding interests in Lian Hup and 28,690 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 1,278,071,425 shares held by Vibrant by virtue of their respective shareholding interests in Lian Hup.

NOTICE OF ANNUAL GENERAL MEETING

FREIGHT LINKS EXPRESS HOLDINGS LIMITED

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Freight Links Express Holdings Limited will be held at 51 Penjuru Road #04-00, Freight Links Express Logisticentre, Singapore 609143, on **Friday, 30 August 2013 at 9:30 a.m.** for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the year ended 30 April 2013 together with the Auditors' Report thereon. **(Resolution1)**

2. To declare a First and Final Dividend of 0.5 cent per ordinary share for the year ended 30 April 2013. (2012: First & Final 0.45 cent). **(Resolution2)**

3. To approve the Directors' Fees of S$167,500/- for the year ended 30 April 2013 (2012: S$150,000/-). **(Resolution3)**

4. To re-elect Mr Sebastian Tan Cher Liang as a Director retiring under Article 94 of the Articles of Association of the Company. **(Resolution4)**

   [Note:- Mr Sebastian Tan Cher Liang shall upon his re-election as a Director, remain as an Independent Director, as well as the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. He is considered as an Independent Director for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Ltd ("SGX-ST").]

5. To re-elect Mr Derek Loh Eu Tse as a Director retiring under Article 94 of the Articles of Association of the Company. **(Resolution5)**

   [Note:- Mr Derek Loh Eu Tse shall upon his re-election as a Director, remain as an Independent Director, as well as the Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee. He is considered as an Independent Director for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.]

6. To re-appoint Mr Khua Hock Su as a Director retiring pursuant to Section 153(6) of the Companies Act, Cap. 50 to hold office until the next Annual General Meeting of the Company. **(Resolution6)**

   [Note:- Mr Khua Hock Su shall upon his re-appointment as a Director, remain as the Chairman of the Board and a member of the Audit and Remuneration Committees.]

7. To re-appoint KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution7)**

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

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

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

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

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

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

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

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

provided that:

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

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

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

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

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

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

(4) unless revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

(Resolution8)

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

That:

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

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

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

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

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

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

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

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

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

(c) in this Resolution:

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

Where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the 5 consecutive trading days on which the Shares are transacted on the SGX-ST immediately preceding the date of the on-market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST, for any corporate action which occurs after the relevant 5 day period; and

"**date of the making of the offer**" means the date on which the Company makes an offer for an off-market purchase, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

(Resolution 9)

10. **Authority to allot and issue ordinary shares pursuant to the Freight Links Express Holdings Limited Scrip Dividend Scheme**

That authority be and is hereby given to the Directors to allot and issue from time to time such number of ordinary shares (pursuant to Section 161 of the Companies Act) as may be required to be allotted and issued pursuant to the Freight Links Express Holdings Limited Scrip Dividend Scheme.

(Resolution 10)

11. To transact any other business that can be transacted at an Annual General Meeting of which due notice shall have been given.

BY ORDER OF THE BOARD

DOROTHY HO / NANCY QUEK
Company Secretaries

Singapore, 7 August 2013

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the above meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. Such proxy need not be a member of the Company and where there are two proxies, the number of shares to be represented by each proxy must be stated.

2. The instrument appointing a proxy must be deposited at the Company's Registered Office at 51 Penjuru Road #04-00, Freight Links Express Logisticentre, Singapore 609143, not less than 48 hours before the time appointed for the Meeting.

Explanatory Notes:

(1) Resolution 8 proposed in item 8 above, if passed, will empower the Directors from the date of this Meeting until the date of the next Annual General Meeting to issue shares and convertible securities in the Company, without seeking any further approval from the shareholders at a general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors may consider in the interests of the Company. This proposed Resolution, if passed, will authorise and empower the Directors of the Company to issue up to a number not exceeding, in total 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.

(2) Resolution 9 proposed in item 9 above, is to renew the mandate to empower Directors of the Company to make purchases or otherwise acquire the Company's issued ordinary shares from time to time subject to and in accordance with the guidelines set out in Appendix A of the Company's Letter to the Shareholders dated 7 August 2013 accompanying this Notice of Annual General Meeting. This authority will expire at the conclusion of the next Annual General Meeting of the Company, unless previously revoked or varied at a general meeting.

(3) Resolution 10 proposed in item 10 above, is to empower the Directors to issue ordinary shares pursuant to the Freight Links Express Holdings Limited Scrip Dividend Scheme to shareholders who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend.

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed from 5.00 p.m. on 5 September 2013 for the purpose of determining shareholders' entitlements to a First & Final Dividend of 0.5 cent per share for the financial year ended 30 April 2013 ("Dividend 2013") to be proposed at the Annual General Meeting of the Company to be held on 30 August 2013.

Shareholders whose shares of the Company ("FLEH shares") are deposited with The Central Depository (Pte) Limited ("CDP") and whose securities accounts with CDP are credited with FLEH Shares as at 5.00 p.m. on 5 September 2013 will be entitled to the Dividend 2013 on the basis of the FLEH Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. on such date.

Duly completed registrable transfer of shares received by the Company's Registrar, Tricor Barbinder Share Registration Service at 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 p.m. on 5 September 2013 will be registered to determine shareholders' entitlements to Dividend 2013.

The Freight Links Express Holdings Limited Scrip Dividend Scheme as approved by shareholders of the Company on 31 August 2010 together with the modification on 29 August 2011 will apply to the Dividend 2013 which will provide the entitled shareholders with the option to elect to receive new ordinary shares in the capital of the Company in lieu of the cash amount of the Dividend 2013 declared on shares held by them.

Dividend payment date will be announced upon the despatch of the notices of election to entitled members of the Company.

BY ORDER OF THE BOARD

DOROTHY HO / NANCY QUEK
Company Secretaries

Singapore, 7 August 2013

FREIGHT LINKS EXPRESS HOLDINGS LIMITED

(Company Registration No. 198600061G)

IMPORTANT:
1. For investors who have used their CPF monies to buy Freight Links Express Holdings Limited's shares, this Annual Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

Annual General Meeting to be held on 30 August 2013

I/We ____

of (full address) ____

being member/members of the abovenamed Company hereby appoint the Chairman of the Meeting or

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 30 August 2013 at 9:30 a.m. and at any adjournment thereof in the manner indicated below. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	Resolutions	To be used on a show of hands		To be used in the event of a Poll	
		For*	Against*	No. of Votes For **	No. of Votes Against **
	ORDINARY BUSINESS:				
1.	Adoption of Directors' Report and Audited Accounts				
2.	Declaration of First & Final Dividend				
3.	Approval of Directors' Fees				
4.	Re-election of Mr Sebastian Tan Cher Liang				
5.	Re-election of Mr Derek Loh Eu Tse				
6.	Re-appointment of Mr Khua Hock Su				
7.	Re-appointment of Auditors				
	SPECIAL BUSINESS:				
8.	Authority to issue shares				
9.	Renewal of Share Buyback Mandate				
10.	Authority to allot and issue ordinary shares pursuant to the Freight Links Express Holdings Limited Scrip Dividend Scheme				

* Please indicate your vote "For" or "Against" with a "✓" within the box provided.

** If you wish to exercise all your votes "For" or "Against", please indicate with a "✓" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ________ day of _________ 2013

Total Number of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of individual member(s)/
Common Seal of Corporate Shareholder

Important: Please Read Notes Overleaf

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50) you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him.

3. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at 51 Penjuru Road #04-00, Freight Links Express Logisticentre, Singapore 609143 not less than 48 hours before the time set for the Meeting.

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

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

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

7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instruments appointing a proxy or proxies. In addition, in the case of members whose Shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register 48 hours before the time appointed for holding the Meeting as certified by CDP to the Company.

Freight Links Express Holdings Limited

51 Penjuru Road #04-00
Freight Links Express Logisticentre
Singapore 609143
Tel: 6262 6988 **Fax:** 6261 3316
www.freightlinks.net
Co. Registration No. 198600061G