INVESTMENT CAPITAL PARTNERS

ICP LTD.

ANNUAL REPORT

2017

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Aw Cheok Huat
Non-Independent and Non-Executive Chairman

Mr. Tan Kok Hiang
Lead Independent Director

Mr. Winston Seow Han Chiang
Independent Director

Mr. Ong Kok Wah
Independent Director

AUDIT COMMITTEE

Mr. Tan Kok Hiang
Chairman

Mr. Winston Seow Han Chiang

Mr. Ong Kok Wah

NOMINATING COMMITTEE

Mr. Winston Seow Han Chiang
Chairman

Mr. Tan Kok Hiang

Mr. Ong Kok Wah

REMUNERATION COMMITTEE

Mr. Ong Kok Wah
Chairman

Mr. Tan Kok Hiang

Mr. Winston Seow Han Chiang

COMPANY SECRETARY

Ms Shirley Lim Guat Hua

REGISTERED OFFICE

10 Anson Road, #29-07
International Plaza
Singapore 079903
Tel: 6221 4665

INDEPENDENT AUDITOR

KPMG LLP
Public Accountants and Chartered Accountants, Singapore
16 Raffles Quay, #22-00
Hong Leong Building
Singapore 048581
Partner in charge: **Mr. Loo Kwok Chiang Adrian**
Date of appointment: 27 October 2015

PRINCIPAL BANKERS

DBS Bank
United Overseas Bank Limited

SHARE REGISTRAR

B.A.C.S. Private Limited
8 Robinson Road, #03-00
ASO Building
Singapore 048544

CONTINUING SPONSOR

RHT Capital Pte. Ltd.
Six Battery Road
#10-01
Singapore 049909

CONTENTS

The contact person for the Sponsor is:
Name: Mr. Nathaniel C.V., Registered Professional, RHT Capital Pte. Ltd.
Address: Six Battery Road, #10-01, Singapore 049909
Tel: 6381 6757

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS

On behalf of the Board, I am pleased to present to you ICP Ltd.'s Group Annual Report for the financial year ended 30 June 2017.

FINANCIAL PERFORMANCE

The Group reported a loss after taxation of S$2.6 million for the financial year ended 30 June 2017 ("FY2017") as compared to S$3.7 million for the financial year ended 30 June 2016 ("FY2016"). The decrease in the loss after taxation was mainly due to the absence of a provision for impairment loss on available-for-sale financial assets of S$2.1 million recognised in FY2016, offset by a higher loss from the hospitality segment due to the increase in personnel costs and other operating expenses incurred as the Group continues to develop its hospitality business. Earnings from the vessel chartering segment in FY2017 were consistent with the earnings reported in FY2016.

The revenue of the Group was S$2.08 million in FY2017 as compared to S$1.95 million in FY2016, an increase of 7% or S$0.13 million. The increase was mainly due to higher sales recorded by the hospitality division. Revenue from the vessel chartering segment in FY2017 was quite consistent with the revenue earned in FY2016, at S$1.85 million and S$1.87 million respectively.

The Group's gross profit increased marginally by S$0.07 million from S$0.71 million in FY2016 to S$0.78 million in FY2017, mainly due to better sales margin earned by the hospitality division.

Finance income increased by S$0.04 million, mainly due to coupon income from the available-for-sale financial assets in FY2017.

Finance expenses decreased by S$0.09 million due to the reducing balance of the outstanding term loan amount as a result of the repayments made in FY2017.

MAJOR DEVELOPMENTS

In FY2017, the Group achieved meaningful progress in developing its hospitality business under the Travelodge brand. Travelodge Kowloon, a 126-room midscale hotel located just off the popular Nathan Road in Hong Kong, opened in early February 2017 under a franchise agreement. The Group's Master Franchise Joint Venture in Thailand, Travelodge (Thailand) Co., Ltd. secured two management contracts during the year. The 164-room Travelodge Pattaya, opened on 1 July 2017 and Travelodge Bangkok Sukhumvit Soi 11, which will have 224 rooms, will open on 1 November 2017. Additionally, the Group invested a minority stake in the acquisition of a 148-room hotel in a prime location in Hong Kong, securing the management contract for the hotel as part of the deal. Travelodge Central Hollywood Road opened on 14 September 2017.

As announced on 15 September 2017, the Group has entered into sales and purchase agreements ("SPA") to acquire a 180-room hotel in Kuala Lumpur (the "Target Property") and to purchase shares of the associate hotel operating company (collectively, the "Proposed Acquisition") for a total consideration of RM86 million (equivalent to approximately S$27.3 million). One of the Group's subsidiaries set up a joint venture company, of which the Group has 73.3% shareholding interest, to complete the Proposed Acquisition. Subject to the completion of the Proposed Acquisition, the Group will manage the hotel as Travelodge Central Market, Kuala Lumpur.

CHAIRMAN'S STATEMENT

The Target Property consists of a commercial freehold land measuring approximately 1,082 square metres and a building of ten storeys block, with 180 rooms, 371 square metres of retail spaces and one level of basement car park. The Target Property is currently a premium economy hotel operating as Geo Hotel Kuala Lumpur. Situated in the heart of Kuala Lumpur, Malaysia, the hotel is located adjacent to Chinatown and within a 5-minutes' walk to popular tourist spots, such as Kasturi Walk, Petaling Street and the iconic Central Market (Malaysia's largest arts and crafts centre). It is also within a 2-minutes' walk to Pasar Seni LRT Station.

The Proposed Acquisition is expected to complete within six (6) months from the date of the SPA, subject to fulfilment of all the conditions precedent set out in the SPA (unless waived by the relevant party), payment of remaining balance consideration in full, and approval of the shareholders of the Company at the extraordinary general meeting.

BUSINESS OUTLOOK

For the next 6 to 12 months, we expect the revenue and earnings from the vessel chartering segment to remain consistent with the revenue and earnings reported for FY2017.

We expect to report higher contribution from the hospitality segment in the next 6 to 12 months driven by the expansion of the Travelodge brand across Asia and continual investment by the Group into midscale hotels in the region.

The Group will continue to work on various opportunities to expand the Travelodge brand in Hong Kong, Singapore, Malaysia, Japan, and Korea at the first instance.

DIVIDENDS

In view of the losses incurred during the year, the Board is not recommending a dividend for FY2017.

APPRECIATION

On behalf of the Board of Directors, I would like to express my appreciation to all our shareholders, customers, business partners, bankers and suppliers for their continued confidence and support to the Group. I would also like to thank our management team and staff for their hard work and dedication throughout the year.

AW CHEOK HUAT
Non-Executive Chairman

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

The Group reported a revenue of S$2.08 million in the financial year ended 30 June 2017 ("FY2017") as compared to S$1.95 million in the financial year ended 30 June 2016 ("FY2016"), an increase of 7% or S$0.13 million. The increase was mainly due to higher sales recorded by the hospitality division. Revenue from the vessel chartering segment in FY2017 remained consistent with the revenue earned in FY2016, at S$1.85 million and S$1.87 million, respectively.

The Group's gross profit increased marginally by S$0.07 million from S$0.71 million in FY2016 to S$0.78 million in FY2017, mainly due to better sales margin earned by the hospitality division.

Administrative expenses increased by 37% from S$2.4 million in FY2016 to S$3.3 million in FY2017. This was mainly due to the increase in personnel costs and other operating expenses incurred by the Group's hospitality segment as the Group continues to develop its hospitality business.

Other expenses decreased by 93% or approximately S$2.0 million mainly due to the absence of a provision for impairment loss on available-for-sale financial assets of S$2.1 million recognised in FY2016.

Finance income increased by S$0.04 million, mainly due to coupon income from the available-for-sale financial assets in FY2017.

Finance expenses decreased by S$0.09 million due to the reducing balance of the outstanding term loan amount as a result of the repayments made in FY2017.

As a result of the above, the Group reported loss before tax of S$2.4 million in FY2017 as compared to loss before tax of S$3.7 million in FY2016.

FINANCIAL POSITION

Non-current assets
Non-current assets decreased by S$0.9 million mainly due to depreciation and amortization of S$1.4 million charged during the year, offset by a shareholders' loan of S$0.3 million made pursuant to an investment in a hotel as announced in June 2017.

Non-current liabilities
Non-current liabilities decreased by S$0.9 million mainly due to repayment of term loans during the year.

Current liabilities
Current liabilities increased by S$2.3 million mainly due to additional bank borrowings of S$2.0 million during the year.

Equity
Overall, the Group's total equity decreased by S$2.1 million from S$36.6 million as at 30 June 2016 to S$34.5 million as at 30 June 2017. The decrease was mainly due to the operating loss of S$2.6 million incurred during the year, offset by issuance of new shares of S$0.7 million during the year.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

CASHFLOW

The Group's cash and cash at bank was S$21.9 million as at 30 June 2017.

Net cash used in operating activities increased from S$0.6 million in FY2016 to S$1.5 million in FY2017. This was mainly due to the increase in personnel costs and other operating expenses incurred by the Group's hospitality segment as the Group continues to develop its hospitality business.

Net cash generated from investing activities was S$0.5 million in FY2017 as compared to the net cash used of S$0.5 million in FY2016. This was mainly due to lower acquisition amount of plant and equipment, computer software and trademark rights in FY2017.

Net cash generated from financing activities was S$1.6 million in FY2017 as compared to the net cash used of S$1.1 million in FY2016. This was mainly due to proceeds from the issuance of new shares of S$0.7 million and net proceeds from borrowings of S$0.9 million in FY2017.

OPERATIONS PERFORMANCE

Performance of Group's business segments during the year is as follows:

(i) Vessel chartering – represents investment in and chartering of ships.

The revenue and earnings from the vessel chartering segment in FY2017 were consistent with the revenue and earnings reported in FY2016.

(ii) Hospitality – represents the management of hotels and licensing of the Travelodge hotel brand.

Loss from the hospitality segment increased by 52% or S$0.8 million mainly due to the increase in personnel costs and other operating expenses incurred as the Group continued to develop its hospitality business.

(iii) Investment Holding – representing investment and management activities.

Loss from the investment holding segment decreased by 81% or S$2.1 million mainly due to the absence of a provision for impairment loss on available-for-sale financial assets of S$2.1 million recognised in FY2016.

BOARD OF DIRECTORS

MR. AW CHEOK HUAT
Non-Independent
Non-Executive Chairman

Mr. Aw Cheok Huat is a Non-Independent and Non-Executive Director of ICP Ltd. He was appointed as a Director on 19 December 2012. He is the Chairman of the Board of Directors.

Mr. Aw is the Managing Director of MS Corporate Finance Pte Ltd, a boutique corporate finance firm specialising in mergers and acquisitions, IPOs, RTO and corporate restructuring. He has more than 25 years of experience in this field having been involved in assignments for various groups over a cross section of diverse industries. In addition, he has been involved in investment and private equity transactions working in conjunction with various groups in this industry.

Mr. Aw holds a Master of Commerce from the University of New South Wales and a Bachelor of Accountancy from the National University of Singapore.

MR. WINSTON SEOW HAN CHIANG
Independent
Non-Executive Director

Mr. Winston Seow Han Chiang was appointed to the Board as an Independent Non-Executive Director on 2 March 2012. He was also appointed as the Chairman of the Nominating Committee and is a Member of the Audit Committee and Remuneration Committee.

Mr. Seow holds a Bachelor of Law (Honours) degree from the National University of Singapore. He was called to the Singapore Bar in 1995 and since then has been a practising advocate and solicitor of the Supreme Court of Singapore.

Mr. Seow has been in practice for more than 20 years and currently heads the Corporate and Securities Department of Withers KhattarWong LLP.

MR. TAN KOK HIANG
Independent
Non-Executive Director

Mr. Tan Kok Hiang was appointed to the Board as Non-Executive Chairman and Independent Director on 2 March 2012. He relinquished as Non-Executive Chairman on 19 December 2012 and remains on Board as the Chairman of the Audit Committee and a Member of the Nominating Committee and Remuneration Committee. Mr. Tan has been appointed as the Lead Independent Director with effect from 20 November 2014.

Mr. Tan holds a Bachelor of Accountancy (Honours) degree from the University of Singapore and is a Member of the Singapore Institute of Directors.

Mr. Tan has more than 30 years of experience in accounting, finance, strategic planning, business development and risk management. Presently, Mr. Tan also sits on the Board of 3 other public listed companies.

MR. ONG KOK WAH
Independent
Non-Executive Director

Mr. Ong Kok Wah was appointed to the Board as an Independent Director on 21 January 2013. He was also appointed as the Chairman of the Remuneration Committee and is a Member of Audit Committee and Nominating Committee.

Mr. Ong has over 40 years of working experience in the marine and offshore industries. He was with the Port Authority of Singapore ("PSA") from 1968 to 1975 where his last position was Controller (Shipping). He joined Chuan Hup Holdings Limited Group as a Director from 1976 to 2005. He was a Director with CH Offshore Ltd from the period from 1987 to 2010, and CEO from 2004 to 2007.

Mr. Ong was a Council Member of the Singapore Shipping Association ("SSA") since its inception in 1985 until 2007, where his last held position was Honorary Secretary. SSA in 2008 bestowed Mr. Ong with an 'Honorary Membership' and he had remained their trustee until June 2016. He has also been a Director on the Board of the Shipowners' Mutual Protection and Indemnity Association (Luxembourg) from 1993 to 2016 and was Director of their Singapore registered insurance company. Mr. Ong is a Director of Polaris Ltd.

MANAGEMENT

MR. STEPHEN BURT
Director

Mr. Stephen Burt was appointed on 22 September 2016 as director of Travelodge Hotels (Asia) Pte. Ltd.

Mr Burt has more than 30 years of experience across all facets of the hotel industry with leadership roles in hotel investment, hotel management companies, hotel brokerage and hotel funds management.

Mr Burt was previously the Managing Director of Hotels (Asia Pacific) at Colliers International. Prior to that, Mr Burt served as the Chief Executive Officer of Mirvac Hotels and Resorts, overseeing a portfolio of 45 hotels.

MR. AW MING-YAO MARCUS
Director and Vice President

Mr. Aw Ming-Yao Marcus was appointed on 4 July 2016 as Director and Vice President – Finance & Development of Travelodge Hotels (Asia) Pte. Ltd.

Mr. Aw has previous experience in Real Estate, Investment Banking and Private Equity from his time with Goldman Sachs in London and Everstone Capital in Singapore.

Mr. Aw holds a Bachelor's of Law (Honours) degree from the London School of Economics and Political Science, and is a graduate of the Association of Chartered Certified Accountants.

Mr. Marcus Aw is the son of the Group's non-executive Chairman, Mr. Aw Cheok Huat.

MR. LOH HONG HOO
Director

Mr. Loh Hong Hoo has been the General Manager and director of GMT Bravo Pte. Ltd. and GMT Charlie Pte. Ltd. since August 2011. He has more than 30 years of experience in marine industry, from agency to chartering and shipping, overseeing operations, business development and sales.

MR. CHONG PAW LONG
Financial Controller

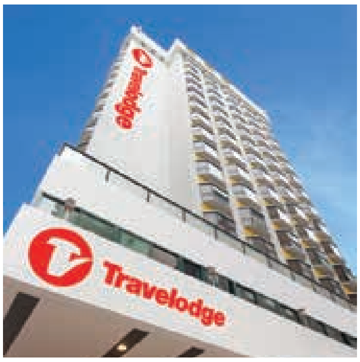
Mr. Chong Paw Long is the Financial Controller of ICP Ltd., responsible for all the financial and accounting functions of the Company and the Group. He joined the Company on 1 November 2016. Mr Chong has more than 20 years of working experience. He started his career in an international accounting firm in Malaysia in 1991, and had worked as a group finance manager/financial controller for a listed company in Singapore and two listed companies in Malaysia before. Mr. Chong graduated with a Bachelor of Accountancy degree.

2017 SIGNINGS AS OF TODAY:
5 HOTELS, 864 ROOMS… AND COUNTING!

Travelodge Pattaya
Opened in Jul 2017
Thailand – 164 rooms

Travelodge Sukhumvit 11, Bangkok
Opening on 1 Nov 2017
Thailand – 224 rooms

Travelodge Kowloon
Opened in Feb 2017
Hong Kong – 126 rooms



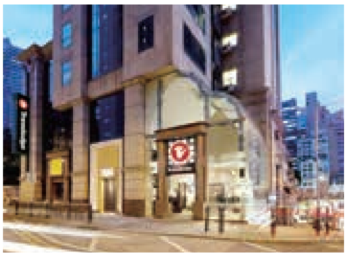
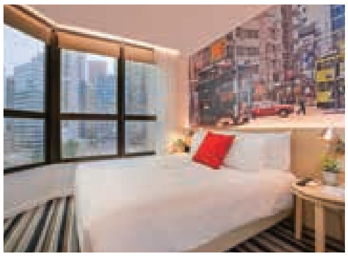
Travelodge Central, Hollywood Road
Opened in Sep 2017
Hong Kong – 148 rooms

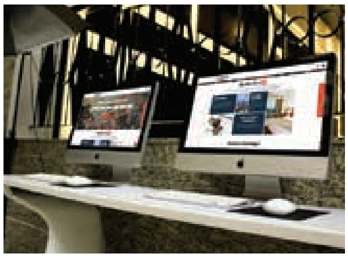
Travelodge Central Market, Kuala Lumpur
Opening in Q2 2018*
Malaysia – 180 rooms

EXPANDING THE TRAVELODGE BRAND
ACROSS KEY CITIES IN ASIA

Travelodge Central, Hollywood Road (148 rooms) Hong Kong

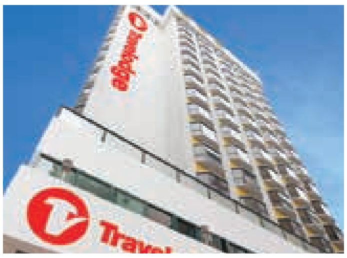
Situated along Hollywood Road in the prime district of Central Hong Kong Island, Travelodge Central Hollywood has an eclectic mix of traditional culture and modern vibes of the city. The hotel's proximity to numerous tourist attractions and multiple offices in the Central Business District makes it an ideal choice for both business and leisure travellers.

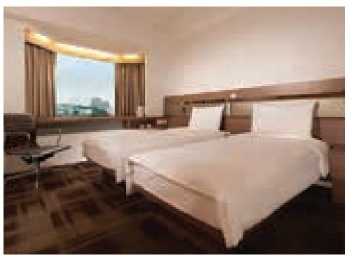


Travelodge Kowloon (126 rooms) Hong Kong

Just off the ever popular and bustling Nathan Road in Kowloon, Travelodge Kowloon is within walking distance to local attractions such as the Temple Street Night Market, Jade Market, Mong Kok Ladies' Market and the Kowloon Park. The Jordan MTR Station is 400m away, through which hotel guests can access Tsim Sha Tsui and Central within 1 and 3 stops respectively. Perfect location for the leisure travellers to soak up the atmosphere on the Kowloon side of Hong Kong.



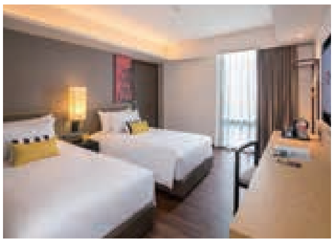




Travelodge Sukhumvit 11, Bangkok (224 rooms) Thailand

Opening on 1 November 2017, the newly built hotel is situated in Sukhumvit Soi 11, one of Bangkok's most popular and vibrant streets that is renowned for its bustling vibe and nightlife. Within walking distance to a wide selection of restaurants, trendy bars and shopping malls, and in close proximity to the train stations of Nana and Sukhumvit, Travelodge Sukhumvit 11 Bangkok is positioned strategically in the heart of one of Asia's gateway cities.

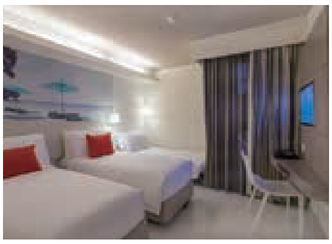





Travelodge Pattaya (164 rooms) Thailand

The hotel is situated in Central Pattaya, one of the city's most popular locales, where guests will enjoy easy access to all that the lively city of Pattaya has to offer. Located in close proximity to the city's beach, dining and entertainment districts, the hotel is a short walk to Pattaya Beach, Walking Street and Pattaya Floating Market. Predominately a leisure traveller market, Travelodge Pattaya opened on 1 July 2017.






**Travelodge Central Market,
Kuala Lumpur
(180 rooms)
Malaysia**

Opening in Q2 2018, the hotel is situated in the heart of Kuala Lumpur, across the iconic Central Market and within minutes of the ever-popular and bustling Chinatown of Kuala Lumpur, Petaling Street.

TRAVELODGE DEVELOPMENT **PIPELINE**

Country	Brand	City	Rooms	Status as at 31 August 2017
Thailand 	Travelodge	Krabi	103	Signed MOU
Malaysia 	Travelodge	Kuala Lumpur	165	Signed MOU

MOU = Memorandum of Understanding

CONTINUING WITH OUR
CORE EXPERTISE

SHIPPING

The team is led by Loh Hong Hoo who is the General Manager and director of GMT Bravo Pte. Ltd. and GMT Charlie Pte. Ltd. since August 2011. He has more than 30 years of experience in marine industry, from agency to chartering and shipping, overseeing operations, business development and sales.

SHIP'S PARTICULARS	
Name of Ship	BAYAN
Description of Ship	Steel Petroleum Product Tanker (<60C)
Registered Dimensions	Length: 81.83m Breadth: 14.80m Depth: 7.36m

SHIP'S PARTICULARS	
Name of Ship	COMO
Description of Ship	Steel Petroleum Product Tanker (<60C)
Registered Dimensions	Length: 81.83m Breadth: 14.80m Depth: 7.36m

REPORT ON CORPORATE GOVERNANCE

The Board of Directors (the "**Board**") of ICP Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance to protect shareholders' interests and enhance shareholders' value.

This report discloses the corporate governance framework and practices adopted by the Group. The Company has adhered to the principles and guidelines as set out in the Code of Corporate Governance 2012 (the "**Code**"), where appropriate.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Effective Board to lead and control the company

The Company is led by a Board of which each Director brings to the Board skills, experience, insights and sound judgement, serve to further the interests of the Group.

The Board is collectively responsible for the long term success of the Group. It assumes responsibility for stewardship of the Group. Its primary objective is to protect and enhance shareholder value. Its role is in:

(a) leading and setting overall business directions and objectives of the Group;

(b) approving the Group's strategic plans, major investments and divestments and funding requirements;

(c) reviewing the performance of the business and approving the release of the financial results announcement of the Group to shareholders;

(d) overseeing the processes for financial reporting and statutory compliance;

(e) providing guidance in the overall management of the business, affairs of the Group and monitoring the performance of Management;

(f) establishing a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of shareholders' interest and the Company's assets; and

(g) setting the Company's values and standards and ensuring that the obligations to the shareholders and other stakeholders are understood.

Each Director is expected, in the course of carrying out his duties, to act in good faith and consider at all times the interests of the Company.

The Board has established and delegated certain specific responsibilities to the following three (3) board committees. These committees operate under clearly defined terms of reference, which are headed by Independent Directors:

(a) Audit Committee ("**AC**")

(b) Nominating Committee ("**NC**")

(c) Remuneration Committee ("**RC**")

REPORT ON CORPORATE GOVERNANCE

The Board accepts that while these board committees have the authority to examine particular issues and will report to the Board their decisions and recommendations, the ultimate responsibility for the final decision on all matters lies with the entire Board.

These committees function within clearly defined terms of reference which are reviewed by the Board on a regular basis.

In line with the recent change of the Companies Act, Chapter 50 ("**Companies Act**"), all references to the Memorandum and Articles of Association can be superseded with Constitution and Article.

The Board conducts regular scheduled meetings at least twice a year. Additional or ad-hoc meetings are also convened as and when deemed necessary by the Board to address any specific or significant matters that may arise. The Company's Constitution allows a Board meeting to be conducted by telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means. In lieu of physical meetings, written resolutions are also circulated for approval by the members of the Board.

The number of Board and Board committee meetings held during the financial year ended 30 June 2017 ("FY2017"), as well as the attendance of each Director at these meetings is set out below:

	Board	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**
Total no. of meeting held in FY2017	2	2	1	1
	No. of meetings attended	**No. of meetings attended**	**No. of meetings attended**	**No. of meetings attended**
Mr. Aw Cheok Huat	2	2*	1*	1*
Mr. Tan Kok Hiang	2	2	1	1
Mr. Winston Seow Han Chiang	2	2	1	1
Mr. Ong Kok Wah	2	2	1	1

* Attended by invitation.

Specific matters which requires Board's approval include:

(a) financial results announcements;
(b) interim dividend payments and proposal of final dividend;
(c) major funding, material acquisitions, investments, disposals and divestments; and
(d) any other transactions of a material nature.

Each Director has received a formal letter, setting out among other things, his duties and obligations, upon his appointment.

REPORT ON CORPORATE GOVERNANCE

The Company has in place an orientation program for all newly appointed Directors. This is to ensure that they are familiar with the Group's business and operations, and governance practices. Where appropriate, the Company will also provide first-time directors with training in areas such as accounting, legal and industry-specific knowledge.

Directors are provided with regular updates on relevant new laws, regulations and changing commercial risks from time to time. They are encouraged to attend trainings or seminars, which are useful and relevant to them in discharging their duties at Company's expense.

BOARD COMPOSITION AND GUIDANCE
Principle 2: Independent element on the Board

The current Board comprises 4 Directors, 3 of whom are Independent Directors. The NC has ensured that at least half of the Board is made up of Independent Directors in order to comply with Guideline 2.2(d) of the Code.

Mr. Aw Cheok Huat	*Non-Independent and Non-Executive Chairman*
Mr. Tan Kok Hiang	*Lead Independent Director*
Mr. Winston Seow Han Chiang	*Independent Director*
Mr. Ong Kok Wah	*Independent Director*

The NC makes recommendations to the Board the appointments of Directors to the Board and Board Committees and the independence of the Directors, taking into consideration the guidance provided in the Code. The NC also reviews the independence of each Director annually based on the guidelines set out in the Code. It further ensures that no individual or group of individuals dominate the Board's decision-making process.

Currently, there is no Independent Director who has served on the Board beyond nine years from the date of his first appointment.

The Non-Executive Director and the Independent Directors participate actively during Board meetings. In particular, ensuring that the strategies proposed by the Management are constructively challenged, fully discussed and examined. They play an important part in reviewing the performance of Management in meeting agreed goals and objectives and in monitoring the reporting of performance. As and when required, led by the Independent Director, the Independent Directors would meet periodically without the presence of the other Directors. The Lead Independent Director would provide feedback to the Chairman after such meetings.

The Board comprises members with diverse expertise and experience in business and management, law, accounting and finance. Key information on the Directors is set out on page 6 of the Annual Report.

The Board, through the NC, reviews the size and composition of the Board and is of the opinion that, given the scope and nature of the Group's operation, the current size and composition is appropriate in facilitating effective decision making.

REPORT ON CORPORATE GOVERNANCE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")
Principle 3: Clear division of responsibilities to ensure a balance of power and authority

The Board had appointed Mr. Aw Cheok Huat as a Non-Independent and Non-Executive Chairman since 19 December 2012.

The Company is an investment holding company and its major core businesses are in its wholly-owned subsidiary, Travelodge Hotels (Asia) Pte. Ltd., which is managed by its two executive directors, Mr. Aw Ming-Yao Marcus and Mr. Stephen James Burt and its 51% subsidiaries, GMT Bravo Pte. Ltd. and GMT Charlie Pte. Ltd., which are managed by the executive director, Mr. Loh Hong Hoo. The Board currently believes there is no necessity to appoint a CEO to manage the Company's business.

The Board is of the view that Mr. Aw Cheok Huat's role as a Non-Independent and Non-Executive Chairman will not compromise accountability and independent decision makings as there is a sufficient number of Independent Directors on the Board to exercise objective judgment on decisions. In addition, the Board is of the view that there are sufficient safeguards and checks to ensure that the decision making process of the Board is independent and based on the collective decisions of the Directors, without any individual exercising any considerable concentration of power or influence.

The Chairman is responsible for:

- leading Board discussions and deliberation;
- setting meeting agendas;
- promotes a culture of openness and debate at the Board;
- ensuring that directors receive complete, adequate and timely information;
- ensuring effective communication with shareholders; and
- promoting high standards of corporate governance and also ensures compliance with the Company's corporate governance guidelines.

The Board has appointed Mr. Tan Kok Hiang as the Lead Independent Director of the Company. The Lead Independent Director will make himself available to shareholders to address their concerns (if any). The Lead Independent Director of the Company will meet with the other Independent Directors periodically (in the absence of Management) and will provide feedback to the Chairman after such meetings.

BOARD MEMBERSHIP/BOARD PERFORMANCE
Principle 4: Formal and transparent process for appointment of new directors
Principle 5: Formal assessment of effectiveness of the Board and contributions by each director

The NC comprises the following members, all of whom, are independent and non-executive:

Mr. Winston Seow Han Chiang	*Chairman, Independent Director*
Mr. Tan Kok Hiang	*Member, Independent Director*
Mr. Ong Kok Wah	*Member, Independent Director*

REPORT ON CORPORATE GOVERNANCE

The NC is guided by its Terms of Reference which sets out its responsibilities. In particular, the NC:

(a) makes recommendations to the Board on the appointment of new executive and non-executive directors including making recommendations on the compositions of the Board;

(b) reviews the Board structure, size and composition and makes recommendations to the Board;

(c) determines the process for search, nomination, selection and appointment of new board members;

(d) determines if a Director is independent on an annual basis; and

(e) assess the effectiveness of the Board as a whole.

Article 92 of the Company's Constitution provides that an election of Directors shall take place each year. All Directors except a Managing Director shall retire from office once at least in each three years but shall be eligible for re-election. Accordingly, the NC reviews and makes recommendations to the Board the re-election of eligible Directors at annual general meetings ("**AGM**").

Article 74 of the Company's Constitution provides that the Directors shall have power from time to time and at any time to appoint additional Directors, provided always that the total number of Directors shall not exceed the prescribed maximum. A Director so appointed shall retire from office at the close of the next annual general meeting, but shall be eligible for re-election.

There is no alternate Director on the Board.

The Board believes that each individual director is best placed to determine and ensure that he is able to devote sufficient time and attention to discharge his duties and responsibilities as directors of the Company, bearing in mind his other commitments. In considering the nomination of directors for re-election and re-appointment, the NC will take into account, amongst others, the competing time commitments faced by directors with multiple Board memberships. While having numerical limit on the number of directorships may be considered by some other companies to be suitable for their circumstances, at present the Company considers as described above to be more effective for its purposes.

For the financial year under review, Mr. Aw Cheok Huat and Mr. Ong Kok Wah will retire in accordance with Article 92 of the Company's Constitution.

The Board is satisfied with each Director's contribution and/or the levels of participation in the Board and Board Committees.

The Board has, through the NC, implemented an annual evaluation process to assess the effectiveness of the Board and the committees of the Board as a whole. The evaluation process is undertaken as an internal exercise and involves Board members completing a questionnaire covering areas such as Board's composition and conduct, Board's processes and procedures, Board's accountability, and evaluation and succession planning of key executives.

REPORT ON CORPORATE GOVERNANCE

The evaluation process takes into account the views of each Board member and provides an opportunity for Directors to provide feedback (if any) on the working and/or the improvements of the Board in the areas of Board's procedures and processes.

For FY2017, the NC has performed the duties as required under its Terms of Reference. In particular, the NC had carried out the annual assessment of independence of the independent directors and contribution of individual Directors to the effectiveness of the Board and its Board Committee for FY2017.

The NC has recommended to the Board that Mr. Aw Cheok Huat and Mr. Ong Kok Wah be nominated for re-election or re-appointment, as applicable, at the forthcoming AGM. The Board has accepted the recommendations and the retiring Directors will be offering themselves for re-election or re-appointment.

The Board and the NC have endeavoured to ensure that the Director appointed to the Board possesses the relevant experience, knowledge and expertise critical to the Group's business.

ACCESS TO INFORMATION

Principle 6: Provision of complete, adequate and timely information prior to Board meetings and on an on-going basis

The members of the Board are provided with appropriate materials and information in relation to financial, budget and corporate updates prior to the Board meeting on an on-going basis to facilitate the Board to make informed decisions.

The Board has separate and independent access to the Company's senior management and the Company Secretary. In addition, the Board and Independent Directors may seek independent professional advice, if necessary, at the Company's expense.

The Company Secretary is responsible for ensuring that proceedings are conducted according to meeting procedures and applicable rules and regulations. The decision to appoint or remove the Company Secretary is a decision made by the Board as a whole.

REMUNERATION MATTERS

Principle 7: Formal and transparent procedure for developing policies on fixing of remuneration packages for Directors and key executives

The RC comprises the following Directors, all of whom, are independent and non-executive:

Mr. Ong Kok Wah	Chairman, Independent Director
Mr. Tan Kok Hiang	Member, Independent Director
Mr. Winston Seow Han Chiang	Member, Independent Director

REPORT ON CORPORATE GOVERNANCE

The RC is guided by its Terms of Reference which sets out its responsibilities. In particular, the RC:

(a) reviews and recommends to the Board a framework of remuneration for the Board and senior management of the Group and determines the remuneration packages and terms of employment; and

(b) reviews and recommend to the Board for approval by shareholders, the remuneration of non-executive directors.

The RC has the liberty to seek professional advice relating to the remuneration of all Directors as and when required.

Principle 8: Level and mix of remuneration

The RC takes into account pay and employment conditions within the same industry and in comparable companies in setting remuneration packages.

The Independent Directors and Non-Executive Director receive a basic fee and additional fee for serving on any of the Board Committees.

The Remuneration Committee recognises the need to pay competitive fees to attract, motivate and retain such Independent Directors and Non-Executive Director, yet not over-compensate them to the extent that their independence (if applicable) may be compromised. Directors' fees are recommended by the Board for approval by the shareholders at the Company's annual general meeting.

The Company does not have any employee share option scheme or other long-term incentive schemes for directors or key management personnel at the moment.

At the moment, the Company does not use any contractual provisions to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Principle 9: Disclosure on remuneration

For the financial year under review, the RC recommended Directors' fees of S$125,000 which the Board will table at the forthcoming AGM for shareholders' approval. The Independent Directors and Non-Executive Director are not entitled to receive other remuneration other than Directors' fees.

REPORT ON
CORPORATE GOVERNANCE

Remuneration of Non-Executive Directors

The aggregate fees payable to Non-Executive Directors for services in all capacities for the financial year ended 30 June 2017 is set out in the table below.

Name	Director Fee (S$)
Aw Cheok Huat	37,000
Tan Kok Hiang	32,000
Winston Seow Han Chiang	28,000
Ong Kok Wah	28,000

Remuneration of Key Management Personnel

The breakdown of the remuneration of the top five key management personnel for the financial year ended 30 June 2017 is set out in the table below.

Name	Remuneration (%)*1	Provident Fund (%)*2	Total Cash & Benefits (%)*3
Remuneration Band Below S$250,000			
Aw Ming-Yao Marcus (appointed on 4 July 2016)	93.11	6.89	100
Stephen James Burt (appointed on 22 September 2016)	99.96	0.04	100
Remuneration Band Below S$150,000			
Chong Paw Long (appointed on 1 November 2016)	89.72	10.28	100

Notes:
1. Remuneration refers to base salary and allowance earned for the financial year ended 30 June 2017.
2. Provident fund represents payments in respect of company statutory contributions to the Singapore Central Provident Fund.
3. Total cash & benefits is the sum of fixed remuneration, variable bonus, provident fund and benefits for the financial year ended 30 June 2017.

The exact remuneration breakdown of the key management personnel are not disclosed to maintain confidentiality and avoid poaching from competitors.

The aggregate total remuneration paid to the above is S$470,733 for the financial year ended 30 June 2017.

There is only one employee, Mr. Aw Ming-Yao Marcus, who is son of Mr. Aw Cheok Huat and whose remuneration is between S$150,000 to S$250,000 during FY2017.

The Company currently does not have any employee share scheme.

REPORT ON CORPORATE GOVERNANCE

The key management personnel are paid discretionary bonus based on the Group's results and individual performance. Such performance related remuneration is aligned with the interests of shareholders and promote the long-term success of the Company.

The RC is of the view that the remuneration policy and amounts paid to the key management personnel are adequate and are reflective of the present market conditions.

ACCOUNTABILITY AND AUDIT

Principle 10: Board to present balanced and understandable assessment of the Company's performance, position and prospects

The Company provides shareholders with half year financial results within 45 days from the end of the half year and the annual financial results to be released within 60 days from the financial year end on a timely basis.

The Board is also accountable to shareholders and disseminates information on the Group's performance, position and prospects through the half year and full year results announcements and the annual reports. In order to achieve this, Management provides the Board with the necessary financial information for the discharge of its duties. Management is accountable to the Board and maintains regular contact and communication with the Board, including preparing and circulating to the Board the half year and full year financial statements of the Group.

The Board also furnishes timely information and ensures disclosure of material information to shareholders via SGXNET.

The Company has procured Appendix 7H (Form of Undertaking with regard to Directors and Executive Officers) pursuant to Rule 720(1) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") from all the Directors and Executive Officer of the Company.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: Sound system of risk management and internal controls

The Board has overall responsibility for the governance of risk and exercise oversight of the risk management strategy and framework. The Group has a risk policy and framework in place to manage and monitor the risk tolerance.

The AC ensures that a review of the effectiveness of the Group's material internal controls, including financial, operational, compliance and information technology controls and risk management is conducted annually.

The Board has also received assurance from the Chairman and the Financial Controller:

(a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) on the adequacy and the effectiveness of the Group's risk management systems and internal control systems.

REPORT ON CORPORATE GOVERNANCE

Based on the internal controls established and maintained by the Group, work performed by the external auditors and internal auditors, and reviews performed by the Management, the Audit Committee and the Board are of the opinion that the Group's internal controls, including financial, operational, compliance, and information technology controls and risk management system were adequate and effective for the financial year ended 2017.

AUDIT COMMITTEE

Principle 12: Establishment of an AC with written terms of reference

The AC comprises the following Directors, all of whom, are independent and non-executive:

Mr. Tan Kok Hiang	*Chairman, Independent Director*
Mr. Winston Seow Han Chiang	*Member, Independent Director*
Mr. Ong Kok Wah	*Member, Independent Director*

The AC has adopted the recommended terms of reference set out in the Guidebook for Audit Committees in Singapore, issued by the Audit Committee Guidance Committee. In particular, the AC:

(a) reviews the Company's financial statements and any public financial reporting with Management;

(b) reviews with the external auditors their audit scope and management letter;

(c) reviews with the external auditors the impact of any new or proposed changes in accounting principles or regulatory requirements on financial statements of the Company and the Group;

(d) reviews with external auditors the adequacy and effectiveness of the Group's internal control systems;

(e) assess if Management has the relevant expertise to manage risk exposure adequately; and

(f) reviews Interested Person Transactions and ensures that such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company or its minority shareholders.

The AC meets at least twice a year to perform and carry out its duties and functions which are set out on page 30 of the Annual Report. The AC also meets with the external auditors without the presence of Management at least once a year.

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to and co-operation from Management, and full discretion to invite any Director or Executive Officer to attend its meetings. The AC has been given adequate resources to enable it to discharge its duties and responsibilities properly.

The AC reviewed the scope and results of the external audit and also assesses the cost effectiveness, the independence and objectivity of the external auditor. Where the auditor also provides substantial volume of non-audit services to the Company, the AC shall review the nature and extent of such services.

The AC is satisfied with the level of co-operation rendered by the Management to the external auditors and the adequacy of the scope and quality of their audits. The AC has met with the external auditors and internal auditors, without the presence of the Company's Management.

REPORT ON CORPORATE GOVERNANCE

The aggregate amount of fees paid to the external auditors for the financial year ended 30 June 2017 are as follows:

Services	KPMG LLP Singapore (S$)	Other firms of Chartered Public Accountants (S$)
Statutory audit fees	87,000	Nil
Non-audit fees	Nil	6,000

The AC makes recommendations to the Board on the appointments, re-appointments and removals of the external auditors. It also recommends to the Board the remuneration and terms of engagement of the external auditors.

The AC has reviewed the key audit matters disclosed in the independent external auditors' report and is of the view that there is no material inconsistency between the audit procedures adopted by the independent external auditors and the management's assessment.

The AC has put in place a whistle blowing policy which enables employees to report incidents of malpractice or financial misfeasance directly to the AC Chairman without the fear of retaliatory actions. The objective of the policy is to ensure that there is independent investigation of such matters and that appropriate follow up actions are carried out.

The external auditors provided regular updates and periodic briefings to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any.

None of the directors was a former partner of the Company's external auditors, KPMG LLP.

The auditors of the Company's subsidiaries are disclosed in Note 6 to the financial statements in this Annual Report. The Company confirms that Rules 712 and 715 of Catalist Rules are complied with.

INTERNAL AUDIT
Principle 13: Establishment of an internal audit function that is independent of the activities it audits

The Company has out-sourced its internal audit function to Kreston David Yeung PAC, a Public Accounting Corporation that primarily reports to the AC Chairman and also to the Financial Controller on administrative matters.

The AC reviews and approves the hiring of internal auditors ("**IA**"), internal audit plans, resources and reports and the internal audit fees. The IA has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

The Group will outsource its internal audit function to an independent accounting corporation for independent review on internal controls and practices.

REPORT ON CORPORATE GOVERNANCE

An annual review of the out-sourced internal audit functions is carried out. The AC ensures, amongst others, the adequacy and effectiveness of the internal audit functions by examining the fees and independence of the IA, the scope of work, the quality of the reports and resources and that the internal auditors carried out its function according to standards set by internationally recognised professional bodies.

COMMUNICATION WITH SHAREHOLDERS
Principle 14: Shareholder Rights
Principle 15: Communication with Shareholders
Principle 16: Conduct of Shareholder Meeting

The Board believes in regular, effective and timely communication with its shareholders. The Company does not practice selective disclosure of price-sensitive information.

Information is communicated to shareholders on a timely basis through:

(a) annual reports and circulars;

(b) announcements released through SGXNET;

(c) notices of general meetings; and

(d) press releases.

A general meeting is a principal forum for dialogue with shareholders. All shareholders are entitled to attend general meetings and are accorded the opportunity to participate effectively at general meetings by expressing their views and asking questions on the Company's affairs and operations. All directors and external auditors would usually be present at general meetings to address shareholders' queries. The Company's website at www.icp.com.sg is another channel to solicit and understand the views of the shareholders. The Company does not have an Investor Relations policy.

The Constitution of the Company allows members of the Company to appoint proxies to attend and vote on their behalf.

To safeguard shareholder interests and rights, a separate resolution is proposed on each substantially separate issue at general meetings.

The Board does not have a fixed dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit, growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth, general business condition and other factors the Board may deem appropriate. No dividend is declared for FY2017 in view of the losses incurred during the year. Any dividend payouts are clearly communicated to shareholders in public announcements and via announcements on SGXNet when the Company discloses its financial results.

The Company conducts electronic poll voting at general meetings for greater transparency in the voting process. The voting results are also announced after the meetings via SGXNet and in accordance with the Catalist Rules.

REPORT ON CORPORATE GOVERNANCE

The proceedings of the general meeting will be properly recorded, including relevant comments and queries from shareholders relating to the agenda of the meeting and responses from the Board and Management. All minutes of the general meetings will be made available to shareholders upon request.

DEALINGS IN COMPANY'S SECURITIES

In line with Rule 1204 (19) of the Catalist Rules, the Group has adopted an internal compliance code (the "**Code**") on dealings in the Company's securities.

The Directors and officers are prohibited from dealing in the Company's securities on short-term considerations and during the period commencing one month before the announcements of the Company's half year and full year financial results and ending on the date of the announcement of the relevant financial results.

In addition, the Directors and officers are expected to observe insider trading laws at all times even when dealing with securities within the permitted trading period or when they are in possession of unpublished price sensitive information and they are not to deal in the Company's securities on short-term consideration. The Directors and officers of the Company are required to submit to the Board annual confirmations on their compliance with the provisions of the Code for each financial year.

INTERESTED PERSON TRANSACTIONS

The Company has established internal control policies to ensure that transactions with interested persons are properly reviewed, approved and conducted on an arm's length basis that are not prejudicial to the interests of the shareholders.

The Board and the AC will review all interested person transactions to be entered into to ensure that the relevant rules under Chapter 9 of Catalist Rules are complied with.

Except those as announced via SGXNet and as disclosed in Note 28 to the financial statements in this Annual Report, there were no interested persons transactions between the Company or its subsidiaries and any of its interested persons entered into during the financial year. At the moment, the Company does not have a general mandate from shareholders for interested person transactions.

MATERIAL CONTRACTS

The Group confirms that there were no material contracts or loans entered into between the Company or any of its subsidiaries, involving the interests of any Director or controlling shareholder, which are either still subsisting at the end of FY2017 or if not then subsisting, entered into since the end of the previous financial year.

REPORT ON CORPORATE GOVERNANCE

USE OF PROCEEDS ARISING FROM THE RENOUNCEABLE AND NON-UNDERWRITTEN RIGHTS ISSUE AND PLACEMENT OF SHARES

The net proceeds from:

(a) rights issue 2012 was S$11.22 million;

(b) rights issue 2014 was S$12.31 million; and

(c) placement of shares in October 2016 was S$0.7 million.

As at 30 June 2017, the cash proceeds are as follows:–

Utilisation of Rights Issue Proceeds	S$ million
Net proceeds from rights issue 2012	0.69
Net proceeds raised from rights issue 2014	12.31
Net proceeds raised from the placement of shares in October 2016	0.70
Balance of net proceeds from the rights issue and placement of shares as at 30 June 2017	13.70

The use of the proceeds is in accordance with the purposes set out in the Offer Information Statement dated 30 August 2012 and 2 April 2014 and an announcement released on 22 September 2016 via SGXNet in relation to the Proposed Issue of 100,000,000 New Ordinary Shares to Mr. Stephen James Burt (Announcement Reference No. SG160922OTHRUMCK).

CATALIST SPONSORS

No non-sponsor fees were paid to the Company's Sponsor, RHT Capital Pte. Ltd., for FY2017.

DIRECTORS' STATEMENT

Year ended 30 June 2017

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 June 2017.

In our opinion:

(a) the financial statements set out on pages 37 to 104 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

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

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

Directors

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

Aw Cheok Huat	Non-Independent and Non-Executive Chairman
Tan Kok Hiang	Lead Independent Director
Winston Seow Han Chiang	Independent Director
Ong Kok Wah	Independent Director

Directors' interests

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

	Direct interests			Deemed interests		
Name of directors	**At 1.7.2016**	**At 30.6.2017**	**At 21.7.2017**	**At 1.7.2016**	**At 30.6.2017**	**At 21.7.2017**
The Company						
Ordinary shares ('000)						
Aw Cheok Huat	163,270	163,270	163,270	546,400[(i)]	546,400[(i)]	576,400[(i)]
Ong Kok Wah	35,600	35,600	35,600	–		–
Tan Kok Hiang	800	800	800	–		–

(i) Mr Aw Cheok Huat holds ordinary shares of the Company, registered in the name of Phillip Securities Pte Ltd, and Mercatus Equity Pte Ltd, which is deemed to have an interest in the ordinary shares of the Company held through CIMB Securities (Singapore) Pte Ltd. Mr Aw Cheok Huat owns the entire issued share capital of Mercatus Equity Pte Ltd. Therefore Mr Aw Cheok Huat is deemed to be interested in the shares in the Company.

DIRECTORS' STATEMENT

Year ended 30 June 2017

Directors' interests (cont'd)

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

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

Share Option Scheme 2006 (the "Scheme") of the Company was approved and adopted by shareholders at the Annual General Meeting held on 26 October 2006.

The Remuneration Committee (the "RC") administering the Scheme comprises directors, Ong Kok Wah (Chairman of the RC), Tan Kok Hiang and Winston Seow Han Chiang.

The Scheme is designed to primarily reward and retain executive directors, non-executive directors and employees of the Company whose services are integral to the success and growth of the Company.

Information regarding the Scheme is set out below.

Principal terms of the Scheme

(i) Participants

Under the rules of the Scheme, executive and non-executive directors (including independent directors) and employees of the Company, who are not Controlling Shareholders (i.e. shareholders who hold directly or indirectly 15% or more of the voting shares in the Company) or their associates, are eligible to participate in the Scheme.

(ii) Size of the Scheme

The aggregate number of shares over which the RC may grant share options on any date, when added to the number of shares issued and issuable in respect of all share options granted under the Scheme, shall not exceed 15% of the total issued shares of the Company on the day preceding that date.

DIRECTORS' STATEMENT

Year ended 30 June 2017

Share options (cont'd)

Principal terms of the Scheme (cont'd)

(iii) Share options, exercise period and exercise price

The share options granted under the Scheme may have exercise prices that are, at the RC's discretion, set at a price (the "Market Price") equal to the weighted average share price of the Company for the last trading day immediately preceding the relevant date of grant of the share option or at a discount to the Market Price (subject to a maximum discount of 20%). Share options which are fixed at the Market Price ("Share Option Market Price") may be exercised after the first anniversary of the date of grant of that share option while share options exercisable at a discount to the Market Price ("Incentive Share Option") may only be exercised after the second anniversary from the date of grant of the share option. Share options granted under the Scheme to all employees in the Company (including executive directors) and non-executive directors expire after ten years and five years from the date of grant, respectively.

(iv) Grant of share options

Under the rules of the Scheme, there are no fixed periods for the grant of share options. As such, offers for the grant of share options may be made at any time, from time to time at the discretion of the RC.

In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made after the second market day from the date on which the aforesaid announcement is made.

(v) Termination of share options

Special provisions in the rules of the Scheme deal with the lapse or earlier exercise of share options in circumstances which include the termination of the participant's employment in the Company, the bankruptcy of the participant, the death of the participant, a take-over of the Company and the winding-up of the Company.

(vi) Acceptance of share options

The grant of share options shall be accepted within 30 days from the date of offer. Offers of share options made to employees (including executive directors) and/or non-executive directors, if not accepted by the closing date, will lapse. Upon acceptance of the offer, the grantee must pay the Company a consideration of S$1.00.

(vii) Duration of the Scheme

The Scheme shall continue in operation for a maximum period of ten years commencing on the date at which the Scheme is adopted, and may be continued for any further period thereafter with the approval of the Shareholders by ordinary resolution in a general meeting and of relevant authorities as required.

DIRECTORS' STATEMENT

Year ended 30 June 2017

Share options (cont'd)

Principal terms of the Scheme (cont'd)

Since the commencement of the Scheme, no share options have been granted to the controlling shareholder of the Company or their associates and participants under the Scheme.

The share options under the Scheme do not entitle the holders of the share options, by virtue of such holding, to any rights to participate in any share issue of any other company.

The Scheme expired on 27 October 2016.

Audit Committee

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

Tan Kok Hiang	(Chairman)
Winston Seow Han Chiang	
Ong Kok Wah	

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

During the financial year, the Audit Committee met twice. The principal responsibility of the Audit Committee is to assist the Board of Directors in the identification and monitoring of areas of significant business risks including the following:

- The effectiveness of the Group's management of financial business risks and the reliability of management reporting;
- Compliance with laws and regulations, particularly those of the Companies Act, Chapter 50 and the Catalist Rules;
- The appropriateness of interim and full year financial statement announcements and reports;
- The effectiveness and efficiency of external and internal audits; and
- Interested person transactions (as defined in Chapter 9 of the Catalist Rules).

Specific functions of the Audit Committee include reviewing the scope of work of the external and internal auditors and the assistance given by the Company to the auditors, receiving and considering the reports of the external auditors and internal auditors including their evaluation of the system of internal controls. The Audit Committee also reviewed significant matters impacting the financial statements and considered the relevant accounting principles and judgement of items as adopted by management for these significant matters. The consolidated financial statements of the Group are reviewed by the Audit Committee prior to their submission to the Board of Directors for adoption.

DIRECTORS' STATEMENT

Year ended 30 June 2017

Audit Committee (cont'd)

In addition, the Audit Committee has, in accordance with Chapter 9 of the Catalist Rules, reviewed the requirements for approval and disclosure of interested person transactions, reviewed the internal procedures set up by the Company to identify and report and where necessary, sought approval for interested person transactions and with the assistance of the management, reviewed interested person transactions.

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 external 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 and subsidiaries, we have complied with Rules 712 and 715 of the Catalist Rules.

Auditors

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

On behalf of the Board of Directors

Aw Cheok Huat
Director

Tan Kok Hiang
Director

25 September 2017

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ICP Ltd. (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2017, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 37 to 104.

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

Basis for opinion

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

Key audit matters

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

INDEPENDENT
AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the audit of the financial statements (cont'd)

Key audit matters (cont'd)

Valuation of intangible – trademarks (S$4.3 million) (Refer to Note 5 to the financial statements)	
The key audit matter	*How the matter was addressed in our audit*
The Group holds the registered trademark rights to the "Travelodge" hotel brand name in the Asia Pacific region, excluding Australia and New Zealand. The trademark has an indefinite useful life and is tested for impairment annually. The valuation of the trademark rights is assessed as part of the Group's Hotel Development Operation ("Hotel Development CGU") under Hospitality Segment. The trademark rights is the primary asset in the Hotel Development CGU. Management applied the discounted cash flow method to determine the value-in-use of the trademarks. Management judgement is required in estimating the following assumptions: forecasted revenue of the hotels, including the average growth rates for the number of hotel rooms being operated, average room occupancy rate and discount rates. Changes in these estimates will impact the value-in-use of the trademarks.	We evaluated management's estimates of assumptions used in the value-in-use model based on our understanding of the Group's hospitality business and comparable industry data. We discussed with management to understand the Group's planned growth strategies, which included a comparison of the Group's plan to actual progress to assess the reasonableness of the forecasted revenue. We independently tested key inputs used in the determination of discount rates by comparing to market observable data.

Valuation of goodwill and vessels (S$1.2 million and S$14.0 million respectively) (Refer to Note 5 to the financial statements)	
The key audit matter	*How the matter was addressed in our audit*
The Group's vessel chartering segment comprises two cash-generating units ("CGUs"), namely GMT Bravo Pte. Ltd. and GMT Charlie Pte. Ltd. As at 30 June 2017, the net assets of the two CGUs, including allocated goodwill, were S$4.6 million and S$4.2 million respectively. These CGUs are tested for impairment annually. The recoverable amounts of the CGUs, including allocated goodwill, are determined using the value-in-use approach, which is based on the discounted cash flow model. In determining the recoverable amount, management judgement is required in estimating the future vessel charter revenues and discount rates of the CGUs. Changes in these estimates will impact the value-in-use of the CGUs.	We evaluated management's estimates of assumptions used in value-in-use model for the CGUs based on our understanding of the business and by comparing the estimates against historical trends. We discussed with management to understand the Group's plans for the CGUs. We tested the key inputs used in the determination of discount rates by comparing to market observable data.

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the audit of the financial statements (cont'd)

Other Information

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

We have obtained the Corporate Information, Chairman's Statement, Review of Operations and Financial Performance, Board of Directors, Management, Our Hotel Openings, Expanding the Travelodge Brand in Asia, Continuing with Our Core Expertise, Report on Corporate Governance, Directors' Statement, Status Report on the Use of Proceeds from the Rights Issue and Analysis of Ordinary Shareholdings prior to the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

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

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

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the audit of the financial statements (cont'd)

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the audit of the financial statements (cont'd)

Auditors' responsibilities for the audit of the financial statements (cont'd)

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

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

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

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

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Loo Kwok Chiang, Adrian.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
25 September 2017

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2017

		Group		Company	
	Note	2017	2016	2017	2016
		S$'000	S$'000	S$'000	S$'000
Assets					
Plant and equipment	4	**14,139**	15,434	**3**	–
Intangible assets	5	**5,570**	5,529	**–**	–
Subsidiaries	6	**–**	–	**9,765**	9,765
Associate and joint venture	7	**21**	4	**–**	–
Available-for-sale financial assets	8	**1,055**	992	**1,055**	992
Other receivables and prepayments	9	**332**	–	**–**	–
Club membership		**10**	28	**–**	–
Non-current assets		**21,127**	21,987	**10,823**	10,757
Other receivables and prepayments	9	**874**	284	**17,172**	14,087
Inventories		**26**	6	**–**	–
Cash and cash at bank	10	**21,895**	22,221	**19,484**	20,390
Current assets		**22,795**	22,511	**36,656**	34,477
Total assets		**43,922**	44,498	**47,479**	45,234
Equity					
Share capital	11	**83,524**	82,824	**83,524**	82,824
Reserves	12	**(53,287)**	(50,467)	**(50,117)**	(49,525)
Equity attributable to owners of the Company		**30,237**	32,357	**33,407**	33,299
Non-controlling interests	14	**4,285**	4,193	**–**	–
Total equity		**34,522**	36,550	**33,407**	33,299
Liabilities					
Loans and borrowings	15	**2,580**	3,660	**–**	–
Amounts due to non-controlling interests (non-trade)	16	**1,400**	1,400	**–**	–
Deferred tax liability	17	**1,010**	780	**–**	–
Non-current liabilities		**4,990**	5,840	**–**	–
Loans and borrowings	15	**3,080**	1,080	**2,000**	–
Trade and other payables	18	**1,330**	1,028	**12,072**	11,935
Current liabilities		**4,410**	2,108	**14,072**	11,935
Total liabilities		**9,400**	7,948	**14,072**	11,935
Total equity and liabilities		**43,922**	44,498	**47,479**	45,234

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2017

	Note	Group 2017 S$'000	Group 2016 S$'000
Revenue	19	**2,082**	1,950
Cost of sales		**(1,298)**	(1,238)
Gross profit		**784**	712
Other income		**14**	6
Administrative expenses		**(3,276)**	(2,390)
Other expenses		**(148)**	(2,116)
Results from operating activities		**(2,626)**	(3,788)
Finance income	20	**359**	320
Finance costs	20	**(149)**	(243)
Net finance income		**210**	77
Share of results of equity-accounted investees, net of tax	7	**17**	–
Loss before tax	21	**(2,399)**	(3,711)
Tax expenses	22	**(230)**	–
Loss for the year		**(2,629)**	(3,711)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Fair value loss on available-for-sale financial assets		**(99)**	–
Other comprehensive income for the year, net of tax		**(99)**	–
Total comprehensive income for the year		**(2,728)**	(3,711)
Loss for the year attributable to:			
Owners of the Company		**(2,721)**	(3,918)
Non-controlling interests		**92**	207
		(2,629)	(3,711)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(2,820)**	(3,918)
Non-controlling interests	14	**92**	207
		(2,728)	(3,711)
Loss per share			
Basic and diluted (cents per share)	24	**(0.10)**	(0.15)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2017

	Note	Share capital S$'000	Fair value reserve S$'000	Other reserve S$'000	Accumulated losses S$'000	Equity attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
Group								
At 1 July 2015		82,824	–	(2,059)	(44,490)	36,275	3,986	40,261
Total comprehensive income for the year								
(Loss)/Profit for the year, representing total comprehensive income for the year		–	–	–	(3,918)	(3,918)	207	(3,711)
Total comprehensive income for the year		–	–	–	(3,918)	(3,918)	207	(3,711)
At 30 June 2016		82,824	–	(2,059)	(48,408)	32,357	4,193	36,550
At 1 July 2016		82,824	–	(2,059)	(48,408)	32,357	4,193	36,550
Total comprehensive income for the year								
(Loss)/Profit for the year		–	–	–	(2,721)	(2,721)	92	(2,629)
Other comprehensive income for the year								
Net change in fair value of available-for-sale financial assets		–	(99)	–	–	(99)	–	(99)
Total comprehensive income for the year		–	(99)	–	(2,721)	(2,820)	92	(2,728)
Transactions with owners, recognised directly in equity								
Contribution by owners								
Issuance of new ordinary shares		700	–	–	–	700	–	700
Total contributions by owners		700	–	–	–	700	–	700
At 30 June 2017		**83,524**	**(99)**	**(2,059)**	**(51,129)**	**30,237**	**4,285**	**34,522**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2017

	Note	Group 2017 S$'000	Group 2016 S$'000
Cash flows from operating activities			
Loss before tax		**(2,399)**	(3,711)
Adjustments for:			
Depreciation for the year		**1,322**	1,229
Amortisation for the year		**74**	58
Impairment loss on plant and equipment		**130**	–
Impairment loss on available-for-sale financial assets		**–**	2,116
Impairment loss on club membership		**18**	–
Coupon income from available-for-sale financial assets		**(73)**	–
Plant and equipment written-off		**–**	17
Allowance for doubtful receivables		**29**	–
Finance costs		**149**	197
Interest income on loan and receivables		**(240)**	(320)
Share of results of equity-accounted investees, net of tax		**(17)**	–
Unrealised foreign exchange (gain)/loss		**(1)**	43
		(1,008)	(371)
Changes in working capital:			
Inventories		**(20)**	(6)
Other receivables and prepayments		**(619)**	136
Trade and other payables		**302**	(195)
Cash used in operations		**(1,345)**	(436)
Interest paid		**(149)**	(197)
Net cash used in operating activities		**(1,494)**	(633)
Cash flows from investing activities			
Investment in available-for-sale financial assets		**(288)**	(276)
Acquisition of plant and equipment		**(157)**	(852)
Acquisition of intangible assets		**(115)**	(703)
Non-trade amount due from an associate		**(332)**	–
Fixed deposits pledged		**(2,000)**	–
Withdrawal of fixed deposits with tenor of more than 3 months placed with financial institutions		**2,996**	1,062
Investment in joint venture		**–**	(4)
Interest received		**240**	303
Investment income from available-for-sale financial assets		**73**	–
Return of investment capital from available-for-sale financial assets		**126**	18
Net cash generated from/(used in) investing activities		**543**	(452)
Cash flows from financing activities			
Proceeds from issuance of new ordinary shares		**700**	–
Proceeds from loans and borrowings		**2,000**	–
Repayment of loans and borrowings		**(1,080)**	(1,080)
Net cash generated from/(used in) financing activities		**1,620**	(1,080)
Net increase/(decrease) in cash and cash equivalents		**669**	(2,165)
Cash and cash equivalents at 1 July		**2,994**	5,202
Effects of exchange rate fluctuations on cash held		**1**	(43)
Cash and cash equivalents at 30 June	10	**3,664**	2,994

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 25 September 2017.

1 Domicile and activities

ICP Ltd. (the "Company") is incorporated in the Republic of Singapore. The address of its registered office and principal place of business is 10 Anson Road, #29-07 International Plaza, Singapore 079903.

The financial statements of the Group as at and for the year ended 30 June 2017 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's investments in associate and joint venture.

The principal activities of the Company are those of an investment holding and management company. The principal activities of the Group entities and Group's investments in associate and joint venture are set out in Note 6 and Note 7, respectively.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the accounting policies.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with FRSs requires management to make judgments, 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.

2 Basis of preparation (cont'd)

2.4 Use of estimates and judgments (cont'd)

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, and in arriving at estimates with a significant risk of resulting in a material adjustments within the next financial year are discussed in Note 29.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

Further information about the assumptions made in measuring fair values is included in Note 23.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

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

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the date of acquisition as:

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

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

For financial periods beginning 1 October 2000 onwards, when the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. Prior to financial periods beginning 1 October 2000, bargain purchase gain was recognised directly to equity.

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

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

NCI that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

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.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

(iii) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI 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 an available-for-sale financial asset depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(iv) Investments in equity-accounted investees

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associate and joint venture is accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the equity-accounted investees' operations or has made payments on behalf of the equity-accounted investees.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the equity-accounted investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(vi) Subsidiaries, associate and joint venture in the separate financial statements

Investment in subsidiaries, associate and joint venture are stated in the Company's statement of financial position at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

3 Significant accounting policies (cont'd)

3.2 Foreign currency

(i) 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 reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss, except for the translation of available-for-sale equity instruments which is recognised in OCI (except on impairment in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI, and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. 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.

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 OCI, and are presented in the translation reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

3 Significant accounting policies (cont'd)

3.3 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

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

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

The Group classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

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 other receivables.

Cash and cash equivalents

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

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(i) Non-derivative financial assets (cont'd)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in OCI 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.

Available-for-sale financial assets comprise unquoted equity securities and unquoted fund investments.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, 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 as other financial liabilities. 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, amounts due to non-controlling interests and trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(iii) 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.

3.4 Plant and equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of plant and equipment. 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 plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

3 Significant accounting policies (cont'd)

3.4 Plant and equipment (cont'd)

(ii) *Subsequent costs*

The cost of replacing a component of an item of 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 plant and equipment are recognised in profit or loss as incurred.

Costs incurred on subsequent dry-docking of vessels are capitalised and depreciated over a period of two and a half years. When significant dry-docking costs are incurred prior to the expiry of the depreciation period, the remaining costs of the previous dry-docking are written off in the month of the next dry-docking.

(iii) *Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the 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:

Vessels	–	23 years
Dry-docking expenditures	–	2 to 5 years
Renovations	–	5 years
Furniture and fittings	–	4 years
Computer equipment	–	3 years

Depreciation 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 June 2017

3 Significant accounting policies (cont'd)

3.5 Intangible asset and goodwill

(i) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 3.1(i).

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associate and joint venture, 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 associate and joint venture.

(ii) Trademarks

Trademarks that are acquired by the Group are measured at cost less accumulated impairment losses. Trademarks are not amortised as the Group assessed that these trademarks have indefinite life as there is no foreseeable limit to the period over which the trademarks are expected to generate cash inflows. The useful life of trademarks is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life basis for trademarks.

(iii) Other intangibles assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefit embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(v) Amortisation

Amortisation is calculated based on the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful life related to software for the current and comparative years is 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 June 2017

3 Significant accounting policies (cont'd)

3.6 Club membership

Club membership is measured on initial recognition at cost. Following initial recognition, club membership is carried at cost less any impairment losses. Gains or losses on disposal of club membership are recognised in profit or loss.

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, and other costs incurred in bringing them to their existing location and condition.

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

3.8 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, including an interest in an associate and joint venture, 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 has an impact 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, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in 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 OCI.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

<u>*Associate and joint venture*</u>

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with Note 3.8(ii). An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, 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 and intangible assets that have indefinite useful lives or that are not yet available for use, 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 CGU. 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

(ii) *Non-financial assets (cont'd)*

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or joint venture may be impaired.

3.9 Employee benefits

(i) *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 obligations to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) *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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

3 Significant accounting policies (cont'd)

3.9 Employee benefits (cont'd)

(iii) Share-based payment transactions

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

As at 30 June 2017, there is no share-based payment transactions with the Group's employees.

3.10 Revenue recognition

(i) Charter income

Charter fees arising from the chartering of vessels are accounted for on a straight-line basis over the lease term.

(ii) Sale of food and beverages

Revenue from the sale of food and beverages in the course of ordinary activities is measured at the fair value of the consideration received.

(iii) Franchise income

Franchise income is recognised on a periodic basis as a percentage of the franchisee's revenue in accordance with terms stated in the franchise agreement.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

3 Significant accounting policies (cont'd)

3.11 Leases

(i) *When entities within the Group are lessees of an operating lease*

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 in profit or loss as an integral part of the total lease expense, over the term of the lease.

(ii) *When entities within the Group are lessors of an operating lease*

Where the Group leases out assets under operating leases, the leased assets are included in statement of financial position according to their nature and, where applicable, are depreciated in accordance with Group's depreciation policies. Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies.

The Group owns vessels and leases these vessels to lessees under fixed rate bareboat charter arrangements. These charters are classified as operating leases. As the present value of the minimum lease payments do not amount to substantially the fair values of the vessels and there are no purchase options, the Group has assessed that all the risks and rewards of the vessels remain with the Group.

3.12 Finance income and costs

Finance income comprises interest income on bank deposits and coupon income from available-for-sale financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprising interest expenses on loans and borrowings are recognised in profit or loss.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.13 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

3 Significant accounting policies (cont'd)

3.13 Tax expense (cont'd)

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 investment in subsidiaries, associates and joint arrangements 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 reporting date, 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 the 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 judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of the existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

3 Significant accounting policies (cont'd)

3.14 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS 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 EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.15 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. The Group's Chief Executive Officer ("CEO") is the chief operating decision maker of the Group. 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 tax liabilities.

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

3.16 New standards and interpretations not adopted

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

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Group and the Company in future financial periods, the Group has commenced their evaluation of the transition options and potential impact on its financial statements, and to implement these standards. The Group does not plan to adopt these standards early.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

3 Significant accounting policies (cont'd)

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

Applicable to 2019 financial statements

New standards Summary of the requirements	Potential impact on the financial statements
FRS 115 *Revenue from Contracts with Customers*	
FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 Revenue. FRS 115 is effective for annual periods beginning on or after 1 July 2018, with early adoption permitted. FRS 115 offers a range of transition options including full retrospective adoption where an entity can choose to apply the standard to its historical transactions and retrospectively adjust each comparative period presented in its 2019 financial statements. When applying the full retrospective method, an entity may also elect to use a series of practical expedients to ease transitions.	During the year, the Group performed an initial assessment of the impact on the Group's financial statements. The Group's main sources of revenue are: – vessel charter income; – sale of food and beverages; and – franchise income Based on the Group's existing revenue arrangements, the Group expects each of its revenue streams to constitute a single performance obligation. The Group does not expect a significant impact on the timing of revenue recognition. **Transition** – The Group plans to adopt the standard when it becomes effective in 2019 using the full retrospective approach.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

3 Significant accounting policies (cont'd)

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

Applicable to 2019 financial statements (cont'd)

New standards Summary of the requirements	Potential impact on the financial statements
FRS 109 *Financial Instruments*	
FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39. FRS 109 is effective for annual periods beginning on or after 1 July 2018, with early adoption permitted. Retrospective application is generally required. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 July 2018.	During 2017, the Group performed an initial assessment of the impact on the Group's financial statements. The Group's initial assessment considered the following elements: **Classification and measurement** The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109. Loan and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109. Available-for-sale unquoted equity securities and fund investments are held as long-term investments. For these, the Group expects to elect to present subsequent changes in fair value in OCI. Under FRS 109, only dividend income is recognised in profit or loss. Any subsequent fair value changes are recognised in OCI and will not be reclassified to profit or loss even upon divestment. **Impairment** – The Group plans to apply the simplified approach and record lifetime expected impairment losses on loans and receivables and any contract assets arising from the application of FRS 115. The Group is currently refining its impairment loss estimation methodology to quantify the impact on its financial statements. **Transition** – The Group plans to adopt the standard when it becomes effective in 2019 without restating comparative information; and is gathering data to quantify the potential impact arising from the adoption.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

3 Significant accounting policies (cont'd)

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

Convergence with International Financial Reporting Standards (IFRS)

In addition, the Accounting Standards Council (ASC) announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to the International Financial Reporting Standards (referred to as SG-IFRS in these financial statements) for the financial year ending 31 December 2018 onwards.

The Group is currently assessing the impact of SG-IFRS 1 *First-time adoption of International Financial Reporting Standards* for the transition to the new reporting framework and performing an analysis of the available policy choices, transitional optional exemptions and transitional mandatory exceptions under SG-IFRS 1. The Group expects that the impact on adoption of SG-IFRS 15 *Revenue for Contracts* with customers and SG-IFRS 9 *Financial Instruments* will be similar to adopting FRS 115 and FRS 109 as described in this Note.

Other than arising from the adoption of new and revised standards, the Group does not expect to change its existing accounting policies on adoption of the new framework.

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

Applicable to 2020 financial statements

New standards Summary of the requirements	Potential impact on the financial statements
FRS 116 *Leases*	
FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.	The Group performed a preliminary high-level assessment of the new standard on its existing operating lease arrangements as a lessee (refer to Note 26). Based on the preliminary assessment, these operating leases may be recognised as ROU assets with corresponding lease liabilities under the new standard. As at 30 June 2017, the operating lease commitments on an undiscounted basis amount to approximately 1% of the consolidated total assets and 5% of consolidated total liabilities. Assuming no additional new operating leases in future years until the effective date, the Group expects the amount of ROU asset and lease liability to be lower due to discounting and as the lease terms run down. The Group plans to adopt the standard when it becomes effective in 2020. The Group will perform a detailed analysis of the standard, including the transition options and practical expedients in 2018.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

3 Significant accounting policies (cont'd)

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

Applicable to 2020 financial statements (cont'd)

New standards Summary of the requirements	Potential impact on the financial statements
FRS 116 *Leases (cont'd)*	
FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor. When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*, and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. FRS 116 is effective for annual periods beginning on or after 1 July 2019, with early adoption permitted if FRS 115 is also applied.	The Group expects that the impact on adoption of IFRS 16 *Leases* to be similar to adopting SG-FRS 116, after the transition to SG-IFRS in 2019 as described above.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

4 Plant and equipment

	Vessels S$'000	Dry-docking expenditures S$'000	Renovations S$'000	Furniture and fittings S$'000	Computer equipment S$'000	Total S$'000
Group						
Cost						
At 1 July 2015	18,354	700	249	–	63	19,366
Additions	240	506	58	13	35	852
Written-off	–	–	–	–	(61)	(61)
At 30 June 2016	18,594	1,206	307	13	37	20,157
Additions	–	68	50	12	27	157
At 30 June 2017	**18,594**	**1,274**	**357**	**25**	**64**	**20,314**
Accumulated depreciation and impairment loss						
At 1 July 2015	3,365	121	7	–	45	3,538
Depreciation for the year	664	483	71	3	8	1,229
Written-off	–	–	–	–	(44)	(44)
At 30 June 2016	4,029	604	78	3	9	4,723
Depreciation for the year	672	540	88	6	16	1,322
Impairment loss	–	–	109	7	14	130
At 30 June 2017	**4,701**	**1,144**	**275**	**16**	**39**	**6,175**
Carrying amounts						
At 1 July 2015	14,989	579	242	–	18	15,828
At 30 June 2016	14,565	602	229	10	28	15,434
At 30 June 2017	**13,893**	**130**	**82**	**9**	**25**	**14,139**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

4 Plant and equipment (cont'd)

	Computer equipment S$'000
Company	
Cost	
At 1 July 2015 and 30 June 2016	–
Additions	3
At 30 June 2017	**3**
Accumulated amortisation	
At 1 July 2015 and 30 June 2016	–
Depreciation for the year	–*
At 30 June 2017	–*
Carrying amounts	
At 1 July 2015 and 30 June 2016	–
At 30 June 2017	**3**

* Less than S$1,000

(i) Depreciation for the year is allocated as follows:

	Group	
	2017 S$'000	**2016 S$'000**
– cost of sales	**1,212**	1,147
– administrative expenses	**110**	82
	1,322	1,229

(ii) The vessels and dry docking expenses with net carrying amount of S$14.0 million (2016: S$15.2 million) are pledged to a bank as existing first priority statutory mortgage over the Group's vessels to secure term loan facilities (Note 15).

(iii) *Impairment assessment*

In the current year, management assessed that the carrying amount of certain plant and equipment used in the Group's food and beverage operation in the hospitality segment was impaired, as management does not expect the food and beverage operation to generate adequate future economic benefits. Consequently, management recognised full impairment on the carrying amount of these plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

5 Intangible assets

	Software S$'000	Goodwill S$'000	Trademark S$'000	Total S$'000
Group				
Cost				
At 1 July 2015	132	1,167	3,602	4,901
Additions	77	–	626	703
At 30 June 2016	209	1,167	4,228	5,604
Additions	31	–	84	115
At 30 June 2017	**240**	**1,167**	**4,312**	**5,719**
Accumulated amortisation				
At 1 July 2015	17	–	–	17
Amortisation for the year	58	–	–	58
At 30 June 2016	75	–	–	75
Amortisation for the year	74	–	–	74
At 30 June 2017	**149**	**–**	**–**	**149**
Carrying amounts				
At 1 July 2015	115	1,167	3,602	4,884
At 30 June 2016	134	1,167	4,228	5,529
At 30 June 2017	**91**	**1,167**	**4,312**	**5,570**

(i) Goodwill

Impairment assessment

Goodwill acquired in a business combination is allocated, to the cash generating units (CGUs) that are expected to benefit from the business combination. The carrying amount of goodwill allocated to each CGU are as follows:

	Group 2017 S$'000	Group 2016 S$'000
Cash-generating units		
GMT Bravo Pte. Ltd.	**613**	613
GMT Charlie Pte. Ltd.	**554**	554
	1,167	1,167

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

5 Intangible assets (cont'd)

(i) Goodwill (cont'd)

Impairment assessment (cont'd)

Each of GMT Bravo Pte Ltd and GMT Charlie Pte Ltd owns a vessel and leases the vessel to their non-controlling interests' shareholder on a short-term bareboat charter arrangement.

The recoverable amounts of the CGUs are determined from value-in-use calculations, using future cash-flow projections derived from the financial budgets approved by management. The key assumptions used in the calculation of recoverable amounts are as follows:

	Charter income growth rates		Pre-tax discount rate	
	2017	2016	2017	2016
	%	%	%	%
GMT Bravo Pte Ltd	**Nil**	Nil	**10.7**	10.7
GMT Charlie Pte Ltd	**Nil**	Nil	**10.7**	10.7

The value-in-use calculation uses cash flow projections over the remaining life of the vessels and the projected residual value of the vessels at the end of its useful life.

A pre-tax discount rate was adopted for the calculation of value-in-use. The pre-tax discount rate was determined based on the risk-free rate adjusted for a market risk premium to reflect market risks specific to the respective CGU.

Sensitivity to change in assumptions

Management has identified that a decrease in the projected charter income growth rate by 12% (2016: 11%) would cause the carrying amount of the CGUs to exceed the recoverable amount.

(ii) Trademark rights

In 2015, the Group acquired the registered trademark rights to the hotel brand name "Travelodge" in the Asia Pacific region, excluding Australia and New Zealand, for services relating to the management of hotels and serviced apartments, operation of hotels and serviced apartments and associated sales, marketing, reservations and booking services and the provision of conference rooms.

In 2016, the Group acquired an additional trademark right to enable them to operate Travelodge brand hotels in the People's Republic of China ("PRC").

The Group assessed and concluded that these trademark rights are indefinite life intangible assets as there is no foreseeable limit to the Group's ability to use the trademark right to generate cash inflows for the Group.

5 Intangible assets (cont'd)

(ii) Trademark rights (cont'd)

Impairment assessment

The trademark rights is part of the hotel development operation in the hospitality segment ("Hotel Development CGU"). The carrying amount of the trademark rights (as part of the Hotel Development CGU) is assessed for impairment annually.

The recoverable amount of the Hotel Development CGU is determined based on value-in-use calculation, using future cash-flow projections derived from the financial budgets approved by management for the next 5 years. The key assumptions used in value-in-use calculations are:

	2017	2016
	%	%
Average growth in number of rooms	**44**	40
Average room occupancy rate	**69**	68
Pre-tax discount rates	**11 – 17**	14 – 16
Terminal growth rate	**3**	4

The cash flow projections are based on the cash flows expected to be derived from the contractual master franchise and development agreements established with local partners in Hong Kong, Thailand and Indonesia.

A pre-tax discount rate was adopted for the calculation of value-in-use. The pre-tax discount rate is determined based on a risk-free rate adjusted for a market risk premium to reflect market risks and the risks specific to the trademark rights. The long-term terminal growth rates has been determined based on the nominal GDP rates for the countries in which the trademark rights are expected to be utilised.

The Group believes that any reasonably possible change to the key assumptions above is unlikely to cause the recoverable amount of trademark rights to be materially lower than its carrying amount.

6 Subsidiaries

	Company	
	2017	2016
	S$'000	S$'000
Unquoted equity shares, at cost	**11,511**	11,511
Less: Allowance for impairment	**(1,746)**	(1,746)
Net carrying value	**9,765**	9,765

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

6 Subsidiaries (cont'd)

Details of subsidiaries as at 30 June 2017 are as follow:

Name of subsidiary	Principal activities	Place of operation/ Country of incorporation	Group's effective equity interest 2017 %	Group's effective equity interest 2016 %
Held by the Company				
Dynamar Holdings Pte Ltd^	Investment holding and management consultancy	Singapore	**100**	100
ICP Management Services Pte. Ltd. (formerly known as Goldtron Management Services Pte Ltd)^	Management consultancy	Singapore	**100**	100
ICP Marine Pte. Ltd.^	Investment holding	Singapore	**100**	100
Held by the Company				
Paragon Holdings Pte. Ltd.^	Investment holding	Singapore	**100**	100
AceA Resources Pte. Ltd.^	Investment holding	Singapore	**100**	100
Travelodge Hotels Asia (IP) Pte. Ltd.^	Investment holding and ownership of trademark rights	Singapore	**100**	100
Travelodge Hotels (Asia) Pte. Ltd.^	Hospitality services	Singapore	**100**	100
Midscale Hotel Investments Pte. Ltd.	Investment Holding	Singapore	**100**	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

6 Subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of operation/ Country of incorporation	Group's effective equity interest 2017 %	2016 %
Held by Dynamar Holdings Pte Ltd				
Valtron Technology Pte Ltd^	Inactive	Singapore	**100**	100
Held by ICP Management Services Pte. Ltd.				
Goldtron Trading Pte Ltd	Inactive	Singapore	**100**	100
Held by ICP Marine Pte. Ltd.				
GMT Bravo Pte. Ltd.^	Vessel ownership and provider of leasing services	Singapore	**51**	51
GMT Charlie Pte. Ltd.^	Vessel ownership and provider of leasing services	Singapore	**51**	51
Held by Travelodge Hotels Asia (IP) Pte. Ltd.				
Travelodge (IP) Pty Limited	Investment holding	Australia	**100**	100
Tu Jin Hotels (IP) Pte. Ltd.	Investment holding	Singapore	**100**	100
Travelodge Hotels India (IP) Pte. Ltd.	Investment holding	Singapore	**100**	100
Held by Travelodge Hotels (Asia) Pte. Ltd.				
Tu Jin Hotels Pte. Ltd.	Hospitality services	Singapore	**100**	100
Held by Tu Jin Hotels Pte. Ltd.				
Tu Jin (Ningbo) Hotel Management Co Ltd	Hospitality services	China	**100**	–
Held by Midscale Hotel Investments Pte. Ltd.				
MHI HK 1 Pte. Ltd.	Investment holding	Singapore	**100**	–

^ Audited by KPMG LLP Singapore

KPMG LLP is the auditor of all significant Singapore incorporated subsidiaries. For the purpose of determining if an entity is a significant subsidiary of the Group, a subsidiary is considered significant, as defined under the Catalist Listing Manual, if the Group's share of its net tangible assets represents 20% or more of the Group's consolidated tangible assets, or if the Group's share of its pre-tax profits accruals for 20% or more of the Group's consolidated pre-tax profit.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

7 Associate and joint venture

	Group 2017 S$'000	Group 2016 S$'000
Investment in associate	**–***	–
Investment in joint venture	**21**	4
	21	4
Share of results of equity-accounted investees, net of tax	**17**	–

* Amount less than S$1,000

Details of associate as at 30 June 2017 are as follow:

Name of associate	Principal activities	Place of operation/ Country of incorporation	Group's effective equity interest 2017 %	Group's effective equity interest 2016 %
Robust Century Ltd ("Robust Century")	Management and operation of hotels	Cayman Islands	**2**	–

The Group has the ability to exercise its 25% voting power through the Board of Directors of Robust Century. All financial and operating policies of Robust Century are determined by its Board of Directors. On this basis, the Group has assessed that it has significant influence over Robust Century, notwithstanding the Group's equity interest of 2% in Robust Century.

Details of joint venture as at 30 June 2017 are as follow:

Name of joint venture	Principal activities	Place of operation/ Country of incorporation	Group's effective equity interest 2017 %	Group's effective equity interest 2016 %
Travelodge (Thailand) Co., Ltd.	Management and operation of hotels	Thailand	**20**	20

The Group has the ability to exercise joint control over the financial and operating policies through the Board of Travelodge (Thailand) Co., Ltd.. On this basis, the Group classified its investment in Travelodge (Thailand) Co., Ltd. as a joint venture.

The financial information of the associate and joint venture were not presented as the investments in the associate and the joint venture are immaterial to the Group.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

8 Available-for-sale financial assets

		Group		Company	
	Note	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Unquoted equity securities		**6,266**	6,266	**–**	–
Unquoted fund investments	23	**1,055**	992	**1,055**	992
		7,321	7,258	**1,055**	992
Provision for impairment		**(6,266)**	(6,266)	**–**	–
		1,055	992	**1,055**	992

Unquoted equity securities

Unquoted equity securities relates to the Group's investment in Tiaro Coal Ltd. ("Tiaro") and Paragon Coal Pty. Ltd. ("Paragon") companies in the business of exploration of coal.

In 2015, the Group assessed that there was objective evidence of impairment in its investment in Tiaro as the entity entered into voluntary administration on 1 April 2015. Accordingly, the Group estimated that the recoverability of their investment in Tiaro to be $Nil and a full impairment charge of S$4.2 million was recognised in 2015.

In 2016, the Group assessed the financial position of Paragon and the current status of its exploration for coal in the Maryborough basin, Queensland, and concluded that there are objective evidence of impairment in the investment in Paragon. The Group estimated the recoverability of their investment in Paragon to be $Nil and recognised a full impairment loss of S$2.1 million on its investment in Paragon.

In the current year, Management assessed that there were no significant changes to the financial condition of Tiaro and Paragon. On this basis, the Group's investment in the unquoted equity securities continues to be impaired.

Impairment

The movement in the allowance for impairment loss in respect of the unquoted equity investments during the year are as follows:

	Group	
	2017 S$'000	2016 S$'000
At 1 July	**6,266**	4,150
Impairment loss recognised	**–**	2,116
At 30 June	**6,266**	6,266

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

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

Unquoted fund investments

During the year, the Group recognised a fair value loss of S$99,000 on the investment in unquoted fund investments as the net asset values of the underlying fund investments declined. The fair value loss is recognised directly in fair value reserve in other comprehensive income.

The Group's exposure to market risk related to available-for-sale financial assets is disclosed in Note 23.

9 Other receivables and prepayments

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Non-current				
Non-trade amount due from an associate	**332**	–	**–**	–
Current				
Non-trade amounts due from subsidiaries	**–**	–	**16,463**	13,870
Deposits	**615**	57	**547**	20
Interest receivable	**130**	146	**130**	146
Other receivables	**85**	44	**26**	25
	830	247	**17,166**	14,061
Allowance for doubtful receivables	**(29)**	–	**(25)**	–
Loans and receivables	**801**	247	**17,141**	14,061
Prepayments	**73**	37	**31**	26
	874	284	**17,172**	14,087

Non-trade amount due from an associate is unsecured, interest-free and not expected to be repaid within the next 12 months.

Non-trade amounts due from subsidiaries are unsecured, interest-free and are repayable on demand.

The Group's and Company's exposure to credit risks related to loans and receivables is disclosed in Note 23.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

10 Cash and cash at bank

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
Cash and bank balances	**3,664**	2,994	**1,404**	1,314
Fixed deposits	**18,231**	19,227	**18,080**	19,076
Cash and cash at bank in the statements of financial position	**21,895**	22,221	**19,484**	20,390
Fixed deposits with tenor of more than 3 months placed with financial institutions	**(16,080)**	(19,076)		
Fixed deposits pledged	**(2,151)**	(151)		
Cash and cash equivalents in the consolidated statement of cash flows	**3,664**	2,994		

The weighted average effective interest rates per annum relating to fixed deposits at the reporting date for the Group and Company ranged from 1.00% to 1.30% (2016: 0.85% to 1.72%).

Fixed deposits pledged represents bank balances of certain subsidiaries pledged as security to obtain credit facilities (see Note 15).

11 Share capital

	Company			
	2017		2016	
	No. of shares '000	S$'000	No. of shares '000	S$'000
Issued and fully paid ordinary shares, with no par value				
At 1 July/30 June	**2,651,689**	**83,524**	2,551,689	82,824

All issued shares are fully paid, with no par value.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

12 Reserves

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Fair value reserve	**99**	–	**99**	–
Other reserve	**2,059**	2,059	**–**	–
Accumulated losses	**51,129**	48,408	**50,018**	49,525
	53,287	50,467	**50,117**	49,525

Fair value reserve

Fair value reserve comprises the cumulative net changes in the fair values of the available-for-sale financial assets.

Other reserve

Other reserve represents the excess of the fair value of the Group's share of the identifiable net assets of a subsidiary acquired in 1 January 2001 and the acquisition cost of the subsidiary. Bargain purchase, prior to annual periods commencing 1 October 2000, was recognised directly to equity.

13 Share-based payment arrangement

Share Option Scheme 2006

Share Option Scheme 2006 (the "Scheme") of the Company was approved and adopted by shareholders at an Annual General Meeting held on 26 October 2006. The Scheme is administered by the Company's Remuneration Committee ("RC").

Information regarding the Scheme is set out below.

The principal terms of the Scheme are:

(i) *Participants*

Under the rules of the Scheme, executive and non-executive directors (including independent directors) and employees of the Company, who are not Controlling Shareholders or their associates, are eligible to participate in the Scheme.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

13 Share-based payment arrangement (cont'd)

Share Option Scheme 2006 (cont'd)

(ii) Size of the Scheme

The aggregate number of shares over which the RC may grant share options on any date, when added to the number of shares issued and issuable in respect of all share options granted under the Scheme, shall not exceed 15% of the total issued shares of the Company on the day preceding that date.

(iii) Share options, exercise period and exercise price

The share options granted under the Scheme may have exercise prices that are, at the RC's discretion, set at a price (the "Market Price") equal to the weighted average share price of the Company for the last trading day immediately preceding the relevant date of grant of the share option or at a discount to the Market Price (subject to a maximum discount of 20%). Share options which are fixed at the Market Price ("Share Option Market Price") may be exercised after the first anniversary of the date of grant of that share option while share options exercisable at a discount to the Market Price ("Incentive Share Option") may only be exercised after the second anniversary from the date of grant of the share option. Share options granted under the Scheme to all employees in the Company (including executive directors) and non-executive directors expire after ten years and five years from the date of grant, respectively.

(iv) Grant of share options

Under the rules of the Scheme, there are no fixed periods for the grant of share options. As such, offers for the grant of share options may be made at any time, from time to time at the discretion of the RC.

In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made after the second market day from the date on which the aforesaid announcement is made.

(v) Termination of share options

Special provisions in the rules of the Scheme deal with the lapse or earlier exercise of share options in circumstances which include the termination of the participant's employment in the Company, the bankruptcy of the participant, the death of the participant, a take-over of the Company and the winding-up of the Company.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

13 Share-based payment arrangement (cont'd)

Share Option Scheme 2006 (cont'd)

(vi) Acceptance of share options

The grant of share options shall be accepted within 30 days from the date of offer. Offers of share options made to employees (including executive directors) and/or non-executive directors, if not accepted by the closing date, will lapse. Upon acceptance of the offer, the grantee must pay the Company a consideration of S$1.00.

(vii) Duration of the Scheme

The Scheme shall continue in operation for a maximum period of ten years commencing on the date at which the Scheme is adopted, and may be continued for any further period thereafter with the approval of the Shareholders by ordinary resolution in a general meeting and of relevant authorities as required.

As at 30 June 2017, there were no share options granted under the Scheme. The scheme expired on 27 October 2016.

14 Non-controlling interests

The following subsidiaries have non-controlling interests (NCI) that are material to the Group.

Name	Principal places of business/ Country of incorporation	Ownership interests held by NCI	
		2017	**2016**
GMT Bravo Pte. Ltd.	Singapore	**49%**	49%
GMT Charlie Pte. Ltd.	Singapore	**49%**	49%

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

14 Non-controlling interests (cont'd)

The following table summarised the financial information for each of the above subsidiaries based on their respective financial statements, before any intra-group eliminations and are prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies, where applicable.

	GMT Bravo S$'000	GMT Charlie S$'000	Total S$'000
Percentage of ownership by NCI	49%	49%	
2017			
Revenue	924	924	
Profit for the year, representing total comprehensive income	104	84	
Attributable to NCI:			
– Profit for the year, representing total comprehensive income	51	41	92
Non-current assets	6,943	7,102	
Current assets	1,200	1,004	
Non-current liabilities	(3,025)	(3,365)	
Current liabilities	(557)	(557)	
Net assets	4,561	4,184	
Net assets attributable to NCI	2,235	2,050	4,285
Cash flows from operating activities	818	818	
Cash flows used in investing activities	(31)	(31)	
Cash flows used in financing activities	(540)	(540)	
Net increase in cash and cash equivalents	247	247	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

14 Non-controlling interests (cont'd)

	GMT Bravo S$'000	GMT Charlie S$'000	Total S$'000
Percentage of ownership by NCI	49%	49%	
2016			
Revenue	924	946	
Profit/Total comprehensive income	249	174	
Attributable to NCI:			
– Profit/Total comprehensive income	122	85	207
Non-current assets	7,501	7,668	
Current assets	953	758	
Non-current liabilities	(3,443)	(3,777)	
Current liabilities	(552)	(552)	
Net assets	4,459	4,097	
Net assets attributable to NCI	2,185	2,008	4,193
Cash flows from operating activities	884	601	
Cash flows used in investing activities	(217)	(529)	
Cash flows used in financing activities	(540)	(540)	
Net increase/(decrease) in cash and cash equivalents	127	(468)	

15 Loans and borrowings

	Group		Company	
	2017 S$'000	2016 S$'000	2017 S$'000	2016 S$'000
Secured bank loans				
– Current	**3,080**	1,080	**2,000**	–
– Non-current	**2,580**	3,660	**–**	–
	5,660	4,740	**2,000**	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

15 Loans and borrowings (cont'd)

Terms and debt repayment schedule

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

	Currency	Nominal interest rate %	Year of maturity	Face value S$'000	Carrying amount S$'000
Group					
2017					
Floating rate term loans	SGD	2.5% + higher of 3-month SWAP offer rate or 3-month cost of fund of the lender	2017 to 2020	3,660	3,660
Fixed rate bank loan	SGD	1.8%	2017	2,000	2,000
				5,660	**5,660**
2016					
Floating rate term loans	SGD	2.5% + higher of 3-month SWAP offer rate or 3-month cost of fund of the lender	2016 to 2020	4,740	4,740
Company					
2017					
Fixed rate bank loan	SGD	1.8%	2017	**2,000**	**2,000**

The term and bank loans are secured over:

(i) Existing first priority statutory mortgage over the Group's vessels (Note 4);

(ii) Existing first priority legal assignment of insurance policies in respect of the Group's vessels;

(iii) Existing first priority legal assignment of charter contracts and charter income derived by the Group's vessels;

(iv) Corporate guarantees by non-controlling interests of certain subsidiaries;

(v) Corporate guarantees by a related party of certain subsidiaries through common director; and

(vi) Fixed deposits of certain subsidiaries pledged as security (Note 10).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

16 Amounts due to non-controlling interests (non-trade)

The repayment of the non-trade amounts due to non-controlling interests are subordinated to an external loan facility of a subsidiary via an undertaking by the non-controlling shareholder of the subsidiary. The external loan facility matures in 2020. The non-trade amounts due to non-controlling interests are interest-free and unsecured.

17 Deferred tax liability

Movement in deferred tax balances

	At 1 July 2016 S$'000	Recognised in profit or loss (Note 22) S$'000	At 30 June 2016 S$'000	Recognised in profit or loss (Note 22) S$'000	At 30 June 2017 S$'000
Plant and equipment	780	–	780	230	**1,010**

18 Trade and other payables

	Group		Company	
	2017 S$'000	**2016 S$'000**	**2017 S$'000**	**2016 S$'000**
Trade payables	**168**	78	**48**	–
Accrued operating expenses	**598**	343	**320**	179
Dividend payable	**564**	564	**564**	564
Non-trade amount due to a subsidiary	**–**	–	**11,140**	11,150
Others	**–**	43	**–**	42
	1,330	1,028	**12,072**	11,935

Non-trade amount due to a subsidiary is interest-free, unsecured and is repayable on demand.

The Group and the Company's exposure to liquidity risks related to trade and other payables are disclosed in Note 23.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

19 Revenue

	Group 2017 S$'000	Group 2016 S$'000
Charter income	**1,848**	1,870
Sales of food and beverages	**191**	80
Franchise fees	**19**	–
Others	**24**	–
	2,082	1,950

20 Finance income and finance costs

	Group 2017 S$'000	Group 2016 S$'000
Interest income on bank deposits	**240**	320
Coupon income from available-for-sale financial assets		
– investment in unquoted fund investments	**73**	–
Foreign exchange gain (net)	**46**	–
Finance income	**359**	320
Interest expense on financial liabilities measured at amortised cost	**(149)**	(197)
Foreign exchange loss (net)	**–**	(46)
Finance costs	**(149)**	(243)
Net finance income	**210**	77

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

21 Loss before tax

The following items have been included in arriving at loss before tax:

	Group 2017 S$'000	Group 2016 S$'000
Audit fees paid and payable to:		
– auditors of the Company	**87**	80
Non audit fees paid and payable to:		
– other auditor	**6**	10
Cost of inventories recognised to profit or loss in the year	**84**	38
Depreciation for the year	**1,322**	1,229
Amortisation for the year	**74**	58
Plant and equipment written-off	**–**	17
Impairment loss on plant and equipment	**130**	–
Impairment loss on available-for-sale financial assets	**–**	2,116
Impairment loss on club membership	**18**	–
Allowance for doubtful receivables	**29**	–
Operating lease expenses	**269**	219
Ship management expenses	**–**	52
Employee benefits expense		
Salaries, bonuses and other costs	**1,203**	764
Contributions to defined contribution plans	**104**	65
	1,307	829

22 Tax expenses

Tax recognised in profit or loss

	Note	2017 S$'000	2016 S$'000
Current tax expense			
Current year		**–**	–
Deferred tax expense			
Origination and reversal of temporary differences		**70**	–
Underprovision of deferred tax expense in respect of prior years		**160**	–
	17	**230**	–
Total tax expense		**230**	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

22 Tax expenses (cont'd)

Tax recognised in profit or loss (cont'd)

	2017 S$'000	2016 S$'000
Reconciliation of effective tax rate		
Loss before tax	**(2,399)**	(3,711)
Tax using the Singapore tax rate of 17% (2016: 17%)	**(408)**	(631)
Change in unrecognised temporary differences	**306**	198
Non-deductible expenses	**168**	519
Tax exempt income	**(2)**	(1)
Underprovision of deferred tax expense in respect of prior years	**160**	–
Others	**6**	(85)
	230	–

At 30 June 2017, the Group has estimated unabsorbed tax losses amounting to S$3.4 million (2016: S$1.6 million), available for offsetting against future taxable income subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Group entities operate. No deferred tax asset has been recognised in respect of the unabsorbed tax losses as it is not probable that future taxable profits will be sufficient to allow the related tax benefits to be realised.

23 Financial risk management

Risk management framework

Overview

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

23 Financial risk management (cont'd)

Risk management framework (cont'd)

Overview (cont'd)

The Group 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 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.

The Group has exposure to the following risks arising from 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.

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 loans and receivables from customers and available-for-sale financial assets.

The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of their financial assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

23 Financial risk management (cont'd)

Risk management framework (cont'd)

Credit risk (cont'd)

Loan and receivables at the end of each reporting period are not past due. As at 30 June 2017, 95.9% (2016: 98.5%) of the Company's loan and receivables comprised non-trade amounts due from subsidiaries. There are no concentration of credit risk of the Group's loans and receivables as at 30 June 2017 and 2016.

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

The change in the allowance for doubtful receivables in respect of other receivables during the year is as follows:

	Group		Company	
	2017	2016	2017	2016
	S$'000	S$'000	S$'000	S$'000
At 1 July	–	–	–	–
Impairment loss recognised	29	–	25	–
At 30 June	29	–	25	–

Except for the impaired receivables, no allowance for doubtful receivables is considered necessary in respect of the remaining trade receivables, including those receivables that are past due, as the Group believes that the amounts are still collectible, based on historical payment patterns and good credit records maintained by the customers. The Group limits its credit risk exposure in respect of its investment in financial assets by investing only in liquid securities and with counterparties that have a sound credit rating.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities, that are settled by delivering cash or another financial asset, as and when they fall due. 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 ensures that it has sufficient cash on demand to meet expected operational expenses deemed adequate by management to meet the Group's working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

23 Financial risk management (cont'd)

Risk management framework (cont'd)

Liquidity risk (cont'd)

The following are the contractual undiscounted cash flows of financial liabilities, including interest payments and excluding the impact of netting arrangements:

Exposure to liquidity risk

		Cash flows		
	Carrying amount S$'000	Contractual cash flows S$'000	Within 1 year S$'000	Between 1 to 5 years S$'000
Group				
Non-derivative financials liabilities				
30 June 2017				
Secured bank loans	**5,660**	**(5,871)**	**(3,196)**	**(2,675)**
Amounts due to non-controlling interests	**1,400**	**(1,400)**	**–**	**(1,400)**
Trade and other payables	**1,330**	**(1,330)**	**(1,330)**	**–**
	8,390	**(8,601)**	**(4,526)**	**(4,075)**
Non-derivative financials liabilities				
30 June 2016				
Secured bank loans	4,740	(5,198)	(1,265)	(3,933)
Amounts due to non-controlling interests	1,400	(1,400)	–	(1,400)
Trade and other payables	1,028	(1,028)	(1,028)	–
	7,168	(7,626)	(2,293)	(5,333)
Company				
Non-derivative financials liabilities				
30 June 2017				
Secured bank loans	**2,000**	**(2,000)**	**(2,000)**	**–**
Trade and other payables	**12,072**	**(12,072)**	**(12,072)**	**–**
	14,072	**(14,072)**	**(14,072)**	**–**
30 June 2016				
Trade and other payables	11,935	(11,935)	(11,935)	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

23 Financial risk management (cont'd)

Risk management framework (cont'd)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices 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.

Interest rate risk

The Group's interest rate risks relates primarily to fixed bank deposits and interest-bearing financial liabilities.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments, as reported to the management, was as follows:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Fixed rate instruments				
Fixed bank deposits	**18,231**	19,227	**18,080**	19,076
Loans and borrowings	**2,000**	–	**2,000**	–
Variable rate instruments				
Loans and borrowings	**3,660**	4,740	**–**	–

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

23 Financial risk management (cont'd)

Risk management framework (cont'd)

Market risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
	100 bp increase S$'000	100 bp decrease S$'000
Group		
30 June 2017		
Variable rate instruments – loans and borrowings	**(37)**	**37**
30 June 2016		
Variable rate instruments – loans and borrowings	(47)	47

Foreign currency risk

The Group has no significant foreign currency denominated financial assets or liabilities except for fixed bank deposits. The Group does not use any financial instruments to hedge its exposure to foreign currency risk.

The Group's and Company's exposures to the foreign currency in Singapore Dollar equivalent are as follows:

	Group		Company	
	2017 United States Dollar S$'000	2016 United States Dollar S$'000	2017 United States Dollar S$'000	2016 United States Dollar S$'000
Cash and cash at bank	**23**	862	**7**	846

23 Financial risk management (cont'd)

Risk management framework (cont'd)

Foreign currency risk (cont'd)

Sensitivity analysis

A 10% strengthening of the United States Dollar against the Singapore Dollar at the end of the reporting period would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Group Profit or loss S$'000	Company Profit or loss S$'000
30 June 2017		
United States dollar	**2**	**1**
30 June 2016		
United States dollar	86	85

A 10% weakening of the United States Dollar against the Singapore Dollar at the end of the reporting period would have had an equal but opposite effect on the amounts shown above.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

23 Financial risk management (cont'd)

Risk management framework (cont'd)

Accounting classifications and fair values

Fair values versus carrying amounts

The carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy, are as follows:

	Carrying amount				Fair value			
	Loans and receivables S$'000	Available-for-sale S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group								
30 June 2017								
Financial assets measured at fair value								
Available-for-sale financial assets	–	1,055	–	1,055	–	–	1,055	1,055
Financial assets not measured at fair value								
Non-trade amount due from an associate	332	–	–	332	–	315	–	315
Other receivables	801	–	–	801				
Cash and cash at bank	21,895	–	–	21,895				
	23,028	–	–	23,028				
Financial liabilities not measured at fair value								
Loans and borrowings	–	–	(5,660)	(5,660)	–	(5,362)	–	(5,362)
Amounts due to non-controlling interests (non-trade)	–	–	(1,400)	(1,400)	–	(1,330)	–	(1,330)
Trade and other payables	–	–	(1,330)	(1,330)				
	–	–	(8,390)	(8,390)				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

23 Financial risk management (cont'd)

Risk management framework (cont'd)

Accounting classifications and fair values (cont'd)

<u>*Fair values versus carrying amounts (cont'd)*</u>

	Carrying amount				Fair value			
	Loans and receivables S$'000	Available-for-sale S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group								
30 June 2016								
Financial assets measured at fair value								
Available-for-sale financial assets	–	992	–	992	–	–	992	992
Financial assets not measured at fair value								
Other receivables	247	–	–	247				
Cash and cash at bank	22,221	–	–	22,221				
	22,468	–	–	22,468				
Financial liabilities not measured at fair value								
Loans and borrowings	–	–	(4,740)	(4,740)	–	(4,420)	–	(4,420)
Amounts due to non-controlling interests (non-trade)	–	–	(1,400)	(1,400)	–	(1,330)	–	(1,330)
Trade and other payables	–	–	(1,028)	(1,028)				
	–	–	(7,168)	(7,168)				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

23 Financial risk management (cont'd)

Risk management framework (cont'd)

Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

	Carrying amount				Fair value			
	Loans and receivables S$'000	Available-for-sale S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Company								
30 June 2017								
Financial assets measured at fair value								
Available-for-sale financial assets	–	1,055	–	1,055	–	–	1,055	1,055
Financial assets not measured at fair value								
Other receivables	17,141	–	–	17,141				
Cash and cash at bank	19,484	–	–	19,484				
	36,625	–	–	36,625				
Financial liabilities not measured at fair value								
Loans and borrowings	–	–	(2,000)	(2,000)				
Trade and other payables	–	–	(12,072)	(12,072)				
	–	–	(14,072)	(14,072)				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

23 Financial risk management (cont'd)

Risk management framework (cont'd)

Accounting classifications and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

	Carrying amount				Fair value			
	Loans and receivables S$'000	Available-for-sale S$'000	Other financial liabilities S$'000	Total S$'000	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Company								
30 June 2016								
Financial assets measured at fair value								
Available-for-sale financial assets	–	992	–	992	–	–	992	992
Financial assets not measured at fair value								
Other receivables	14,061	–	–	14,061				
Cash and cash at bank	20,390	–	–	20,390				
	34,451	–	–	34,451				
Financial liabilities not measured at fair value								
Trade and other payables	–	–	(11,935)	(11,935)				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

23 Financial risk management (cont'd)

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring level 3 fair values, as well as the significant unobservable inputs' used.

Financial instrument measured at fair value

Type	Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group and Company			
Available-for-sale financial assets – investment in unquoted fund investments	The fair value of the unquoted investments funds is based on the net assets from their latest available management accounts	Net asset values of underlying fund investment	The estimated fair value would increase/(decrease) if net assets value of underlying funds was higher/(lower)

Financial instrument not measured at fair value

Type	Valuation techniques	Significant unobservable inputs
Group and Company		
Other financial liabilities – loans and borrowings, non-trade amount due from an associate and amounts due to non-controlling interests (non-trade)	*Discounted cash flows**	Not applicable
Other receivables – non-trade amount due from an associate	*Discounted cash flows**	Not applicable

* It is assumed that the market interest rates which are inputs considered observable, used in the valuation technique are significant to the fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

23 Financial risk management (cont'd)

Valuation techniques and significant unobservable inputs (cont'd)

Non-current loans and borrowings

The carrying amounts of floating interest bearing loans, which are repriced within 3 months from the reporting date, reflect the corresponding fair values.

Other financial assets and liabilities

The carrying amounts of other financial assets and liabilities with a maturity of less than one year (including other receivables, cash and cash equivalents, loans and borrowings and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

Transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Transfer between fair values hierarchies

There is no transfer between the fair value hierarchies during the financial year.

Level 3 fair values

The following table shows a reconciliation from the opening balances to the ending balances for level 3 fair values:

Group and Company	**Available-for-sale financial assets $'000**
At 1 July 2016	992
Addition	288
Return of investment capital	(126)
Total unrealised gains and losses for the period included in other comprehensive income – net change in fair value of unquoted fund investments	(99)
At 30 June 2017	**1,055**
At 1 July 2015	2,850
Addition	276
Return of investment capital	(18)
Impairment loss on unquoted equity securities recognised to profit or loss	(2,116)
At 30 June 2016	992

Available-for-sale financial assets relates to investments in unquoted investment funds and unquoted equity securities. There are no quoted market price available for available-for-sale financial assets; there were also no recent observable arm's length transactions in these investments.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

23 Financial risk management (cont'd)

Transfer between fair values hierarchies (cont'd)

Sensitivity analysis

For the Group's investment in unquoted investment funds, a 10% increase in the net asset values of the underlying funds would have increased the Group's and the Company's other comprehensive income by approximately S$105,500 (2016: S$99,000). An equal change in the opposite direction would have decreased the Group's and the Company's other comprehensive income by the same amount.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity, less amounts accumulated in equity.

The Group seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group monitors capital using an adjusted net debt to equity ratio.

The Group's net debt to adjusted equity ratio at the end of the reporting period was as follows:

	2017 S$'000	2016 S$'000
Total liabilities^	**7,060**	6,140
Less: cash and cash at bank	**(21,895)**	(22,221)
Net cash surplus	**(14,835)**	(16,081)
Total equity	**34,522**	36,550
Adjusted net debt to adjusted equity ratio	**N.M.***	N.M.*

^ Excludes deferred tax liabilities and trade and other payables
* N.M. – Not meaningful as the Group is in a net cash position.

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

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements for the financial years ended 30 June 2017 and 2016.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

24 Loss per share

The computation of basic and diluted loss per share for the financial years ended 30 June:

	Group	
	2017	**2016**
	S$'000	**S$'000**
Loss for the year attributable to owners of the Company	**(2,721)**	(3,918)

	No. of shares 2017 '000	No. of shares 2016 '000
Issued ordinary shares at 1 July	**2,551,689**	2,551,689
Effect of shares issued in October 2017	**70,833**	–
Weighted average number of ordinary shares	**2,622,522**	2,551,689
Basic and diluted loss per share (cents)	**(0.10)**	(0.15)

Diluted loss per share is same as basic loss per share as there were no potential dilutive financial instruments for the financial year ended 30 June 2016 and 2017.

25 Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. These units are managed separately because they require different operational expertise, industry knowledge and separate financial requirements on a standalone basis. For each of the strategic business units, the Group's CEO (the chief operating decision maker) reviews internal management reports on a monthly basis to make strategic decisions including resource allocation and performance assessments.

(a) Vessels chartering – Chartering of vessels (oil tankers)

(b) Hospitality – Hotel management consultancy services

(c) Investment holding – Investment and management activities

For the purpose of assessing segment performance and allocating resources between segments, the Group's CEO monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all current and non-current assets. Segment liabilities include all current and non-current liabilities.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

25 Operating segments (cont'd)

Revenue and expenses are allocated to the reportable segments with reference to the revenue generated and the expenses incurred by those segments or which, otherwise arise from the depreciation of assets attributable to those assets. Segment results do not include transactions at the corporate level.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit or loss, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit or loss 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 operate within these industries.

Information about reportable segments

	Vessels chartering S$'000	Hospitality S$'000	Investment holding S$'000	Total S$'000
30 June 2017				
Segment revenue				
Revenue from external customers	**1,848**	**210**	**24**	**2,082**
Interest income	**6**	**–**	**234**	**240**
Interest costs	**(146)**	**–**	**(3)**	**(149)**
Share of results of equity-accounted investee, net of tax	**–**	**17**	**–**	**17**
Tax expense	**(230)**	**–**	**–**	**(230)**
Reportable segment profit/(loss) for the year	**178**	**(2,299)**	**(508)**	**(2,629)**
Other material items:				
Depreciation and amortisation charges for the year	**1,212**	**184**	**–**	**1,396**
Impairment loss on plant and equipment	**–**	**130**	**–**	**130**
Reportable segment assets	**17,393**	**5,184**	**21,345**	**43,992**
Reportable segment liabilities	**6,111**	**324**	**2,965**	**9,400**
Other segment information:				
Capital expenditure	**68**	**204**	**–**	**272**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

25 Operating segments (cont'd)

Information about reportable segments (cont'd)

	Vessels chartering S$'000	Hospitality S$'000	Investment holding S$'000	Total S$'000
30 June 2016				
Segment revenue				
Revenue from external customers	1,870	80	–	1,950
Interest income	1	1	318	320
Interest costs	(192)	–	(5)	(197)
Tax expense	–	–	–	–
Reportable segment profit/(loss) for the year	423	(1,512)	(2,622)	(3,711)
Other material items:				
Depreciation and amortisation charges for the year	1,147	140	–	1,287
Impairment loss on available-for-sale assets	–	–	2,116	2,116
Reportable segment assets	18,045	4,785	21,668	44,498
Reportable segment liabilities	6,949	147	852	7,948
Other segment information:				
Capital expenditure	746	809	–	1,555

Geographical segments

The Group's revenue is attributable to the geographical location of customers while non-current assets (excluding available-for-sale financial assets and trademark rights) are attributable to a single country, Singapore, which is also the Group's principal place of business and operation.

	Group 2017 S$'000	Group 2016 S$'000
Segment revenue		
Singapore	**2,063**	1,950
Hong Kong	**19**	–
	2,082	1,950

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

25 Operating segments (cont'd)

Major customers

Revenue from a customer in the vessels chartering segment accounts for approximately $1.85 million (2016: S$1.87 million) or 89% (2016: 96%) of the Group's total revenues.

26 Operating leases

The Group leases out its vessels on a fixed bareboat charter basis. The future minimum lease receipts under non-cancellable operating lease receivables is as follows:

	Group	
	2017	**2016**
	S$'000	**S$'000**
Within 1 year	**1,848**	1,730

Non-cancellable operating leases rentals are payable as follows:

	Group	
	2017	**2016**
	S$'000	**S$'000**
Within 1 year	**293**	218
Between 1 and 5 years	**205**	152
	498	370

The Group leases office and a food and beverage premise under non-cancellable operating leases agreements. The operating leases typically run for an initial period of one to three years, with an option to renew the leases. None of the leases includes contingent rentals.

27 Capital commitments

Capital expenditures contracted for but not recognised in the financial statements are as follows:

	Group	
	2017	**2016**
	S$'000	**S$'000**
Investment in unquoted fund investment committed but not yet called up	**69**	371

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

28 Related parties

Transactions with key management personnel

Key management personnel compensation comprises:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Short-term employment benefits	**471**	62	**72**	62
Directors' fees	**125**	141	**125**	141
Post-employment benefits	**21**	5	**8**	5
	617	208	**205**	208
Amounts paid/payable to:				
– Directors of the Company	**125**	141	**125**	141

Other related party transactions

Other than disclosed elsewhere in the financial statements, significant related party transactions carried out based on terms agreed between the parties are as follows:

	Group		Company	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Non-controlling interests				
Vessels chartering income	**906**	916	**–**	–
Administrative fee charged by a corporate shareholder	**38**	38	**–**	–
Related corporations				
Sales to an entity with common controlling shareholder	**26**	10	**–**	–
Professional fees charged by a related corporation	**11**	–	**10**	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

29 Accounting estimates and judgement in applying accounting policies

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimation and judgement are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be recoverable under those circumstances.

Sources of estimation

Determination of useful lives of plant and equipment and intangible assets

Plant and equipment are depreciated on a straight-line basis over the estimated useful lives after taking into account the estimated residual value. The intangible assets namely, goodwill and trademark rights are assessed to be indefinite life assets. The Group reviews the estimated useful lives of these assets regularly in order to determine the amount of depreciation and amortisation, if applicable, to be recorded during any reporting period. The Group considers factors such as wear and tear, ageing, technical standards, market practices and changes in market demand for these assets as well as the Group's historical experience with these assets. Changes in these factors may impact the useful lives of assets, which could result in higher annual depreciation expense.

Valuation of plant and equipment and intangible assets

The Group performs an impairment assessment on plant and equipment when there are indicators of impairment. On an annual basis, the Group is required to perform an impairment assessment on indefinite life intangible assets, namely goodwill on consolidation and trademark rights.

Value-in-use is estimated based on management's forecast of future cash flows discounted to present value using the pre-tax discount rate. Significant estimates and assumptions are made on revenue growth rates and in determining discount rates. Changes in these estimates and assumption may result in impairment losses on these assets.

Fair value of available-for-sale financial assets

The Group's investments in available-for-sale financial assets are unquoted and there are no market prices available. In assessing the fair value of these investments, the Group makes significant estimates and assumptions on significant unobservable inputs. Changes to these estimates and assumptions may result in significant fluctuations to the fair value of available-for-sale financial assets.

Judgement made in applying accounting policies

Classification of associate

During the year, the Group assessed the terms and conditions of the shareholder's agreement of its investment in an associate. In determining the classification of the investment, the Group exercised judgement over their ability to exercise joint control at the board of directors over financial and operating policies of the investee.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2017

30 Subsequent event

On 15 September 2017, the Group, via a subsidiary and the controlling shareholder of the Company, entered into a conditional sale and purchase agreement to acquire a hotel property, comprising a commercial freehold land and a ten storey building, and a hotel operating company (collectively the "Acquisition"), for a purchase consideration for S$27.3 million (equivalent to Malaysian Ringgit (MYR) 86 million).

The completion of the acquisition is conditional on the approval of the Company's shareholders and other condition precedent as specified in the sale and purchase agreement.

Management expects to account for the acquisition as a business combination in the year ending 30 June 2018.

STATUS REPORT ON THE USE OF PROCEEDS FROM THE RIGHTS ISSUE

As at 31 August 2017

Pursuant to the undertaking by the Company dated 30 August 2012 to, *inter alia*, make periodic announcements on the utilisation of proceeds from the 2012 Rights Issue and to provide a status report on the use of the proceeds from the 2012 Rights Issue in the Company's Annual Report, the Directors wish to advise that further to the Company's announcements on 10 September 2012, 11 September 2012, 3 October 2012, 4 October 2012, 9 November 2012, 1 March 2013, 28 August 2013, 13 November 2013, 6 February 2014, 1 July 2014 and 3 July 2014, the proceeds of S$11,491,779/- from the 2012 Rights Issue have been utilised as at 31 August 2017, being the latest practicable date prior to the printing of this Annual Report, as follows:–

	Description	Amount S$'000
1.	Settlement of 2012 Rights issue expenses	275
2.	Advance to Paragon Holdings Pte. Ltd. to subscribe and purchase 50,000 new ordinary shares in Paragon Coal Pty Ltd. (incorporated in Australia) at a consideration of A$1,500,000 representing 16.67% of the enlarged share capital as at 23 November 2012 and engaged in exploration and development of coal resources in the Tenements.	1,924
3.	Cash consideration on 5 March 2013 to Tallwise Trading Pte Ltd on the acquisition of 51% interest on GMT Bravo Pte Ltd and GMT Pte Ltd	609
4.	ICP Ltd general working capital	940
5.	Subscription of 40,000,000 new ordinary shares in Gossan Hill Gold Limited by the Company's wholly owned subsidiary, AceA Resources Pte Ltd.	2,280
6.	Acquisition of 22,600,000 ordinary shares in Tiaro Coal Limited by the Company's wholly owned subsidiary, AceA Resources Pte Ltd.	1,247
7.	Acquisition of trademark rights to the hotel brand name "Travelodge" by the Company's wholly owned subsidiary, Travelodge Hotels Asia (IP) Pte. Ltd.	3,525
Total utilised from 2012 Rights Issue by ICP Ltd as at 31 August 2017.		10,800
Balance of proceeds held as fixed deposit at bank as at 31 August 2017 by ICP Ltd pending deployment of funds for the purposes mentioned in the 2012 Rights Issue Circular and Offer Information Statement.		692

Pursuant to the undertaking by the Company dated 2 April 2014 to, *inter alia*, make periodic announcements on the utilisation of proceeds from the 2014 Rights Issue and to provide a status report on the use of the proceeds from the 2014 Rights Issue in the Company's Annual Report, the Directors wish to advise that further to the Company's announcements on 2 April 2014 and 25 April 2014, the proceeds of S$12,758,446/- from the 2014 Rights Issue have been utilised as at 31 August 2017, being the latest practicable date prior to the printing of this Annual Report, as follows:–

	Description	Amount S$'000
1.	Settlement of 2014 Rights issue expenses	450
Balance of proceeds held as fixed deposit at bank as at 31 August 2017 by ICP Ltd pending deployment of funds for the purposes mentioned in the 2014 Rights Issue Circular and Offer Information Statement.		12,310

Pursuant to the undertaking by the Company dated 22 September 2016 to, *inter alia*, make periodic announcements on the utilisation of proceeds from the placement of shares in October 2016 and to provide a status report on the use of the proceeds from the 2016 Shares Placement in the Company's Annual Report, the Directors wish to advise that the proceeds of S$700,000/- from the 2016 Shares Placement have not been utilised as at 31 August 2017, being the latest practicable date prior to the printing of this Annual Report.

ANALYSIS OF ORDINARY SHAREHOLDINGS

As at 13 September 2017

Number of issued and paid up shares	:	2,651,689,122
Treasury shares	:	Nil
Class of shares	:	Ordinary Shares
Voting rights	:	Every member present in person or by proxy shall have one vote for every share he holds or represents.

ANALYSIS OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	370	1.50	12,350	0.00
100 – 1,000	11,282	45.75	5,294,929	0.20
1,001 – 10,000	6,907	28.01	29,421,623	1.11
10,001 – 1,000,000	5,914	23.98	582,616,126	21.97
1,000,001 and above	186	0.76	2,034,344,094	76.72
	24,659	100.00	2,651,689,122	100.00

LIST OF TWENTY LARGEST SHAREHOLDERS

Name	No. of Shares	%
Phillip Securities Pte Ltd	556,436,567	20.98
CIMB Securities (Singapore) Pte Ltd	340,511,800	12.84
Aw Cheok Huat	163,269,800	6.16
DBS Nominees Pte Ltd	73,236,965	2.76
Ng Choon Ngoi @ Ng Choon Ngo	47,603,900	1.80
Maybank Kim Eng Securities Pte Ltd	38,168,954	1.44
United Overseas Bank Nominees Pte Ltd	35,999,797	1.36
Zaheer K Merchant	35,895,800	1.35
Ong Kok Wah	35,600,000	1.34
Citibank Nominees Singapore Pte Ltd	33,335,644	1.26
Lau Yee Choo	33,200,000	1.25
HSBC (Singapore) Nominees Pte Ltd	30,025,387	1.13
Lim Hoon Min	27,550,000	1.04
Goh Kim Seng	27,348,000	1.03
Tay Lian Leong	21,000,000	0.79
Raffles Nominees (Pte) Ltd	20,333,100	0.77
Wong Kian Yeuan	16,387,600	0.62
UOB Kay Hian Pte Ltd	16,375,400	0.62
Choo Ah Seng	16,247,000	0.61
Ngen Poh Kim Debbie or Ang Chwee Chang	15,019,600	0.57
	1,583,545,314	59.72

ANALYSIS OF ORDINARY SHAREHOLDINGS

As at 13 September 2017

SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders as at 13 September 2017

	Direct Interest		Deemed Interest	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**
Aw Cheok Huat[(1)]	163,269,800	6.2	576,399,900	21.7
Mercatus Equity Pte. Ltd.[(2)]	–	–	266,000,000	10.03

Notes:

(1) Mr. Aw Cheok Huat is deemed to have an interest in (a) 310,399,900 shares registered in the name of Philip Securities Pte Ltd; and (b) 266,000,000 shares through Mercatus Equity Pte. Ltd., which is deemed to have an interest through CIMB Securities (Singapore) Pte Ltd. Mr. Aw owns the entire issued share capital of Mercatus Equity Pte. Ltd.

(2) Mercatus Equity Pte. Ltd. is deemed to have an interest in 266,000,000 shares held by CIMB Securities (Singapore) Pte Ltd.

PUBLIC FLOAT

Based on the information available to the Company as at 13 September 2017, approximately 70.73% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

ICP LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 196200234E)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of ICP Ltd. (the "Company") will be held at Sophia Cooke Ballroom (Level 2), Y.W.C.A., Fort Canning Lodge, 6 Fort Canning Road, Singapore 179494 on Monday, 30 October 2017 at 1.30 p.m., for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 30 June 2017 together with the Auditors' Report thereon. **Resolution 1**

2. To re-elect Mr. Aw Cheok Huat, who is retiring pursuant to Article 92 of the Company's Constitution. **Resolution 2**

   Mr. Aw Cheok Huat will, upon re-election as a Director of the Company, remain as Non-Executive Chairman of the Board. Mr. Aw will not be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

3. To re-elect Mr. Ong Kok Wah, who is retiring pursuant to Article 92 of the Company's Constitution. **Resolution 3**

   Mr. Ong Kok Wah will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee, and a member of the Audit Committee and Nominating Committee. Mr. Ong will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

4. To approve the payment of Directors' fees of S$125,000/- for the year ended 30 June 2017 (2016: S$141,000/-). **Resolution 4**

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

6. To transact any other business which may properly be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolution as Ordinary Resolution, with or without modifications:

7. **AUTHORITY TO ALLOT AND ISSUE SHARES** **Resolution 6**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual Section B: Rules of Catalist ("Catalist Rules"), authority be and is hereby given to the Directors of the Company to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise, and/or

(ii) make or grant offers, agreements or options that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) 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 may, in their absolute discretion deem fit; and

(iii) (notwithstanding that 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 whilst this resolution was in force.

provided THAT:–

(a) the aggregate number of shares to be issued pursuant to this resolution does not exceed one hundred percent (100%) of the total number of issued shares in the Company (excluding treasury shares), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed fifty percent (50%) of the total number of issued shares in the capital of the Company (excluding treasury shares);

(b) for the purpose of determining the aggregate number of shares that may be issued under paragraph (a) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company (excluding treasury shares) at the time this resolution is passed, after adjusting for:

   (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding at the time this resolution is passed, and

NOTICE OF ANNUAL GENERAL MEETING

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

(c) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or when it is required by law to be held, whichever is earlier.
[See Explanatory Note]

BY ORDER OF THE BOARD

SHIRLEY LIM GUAT HUA
Company Secretary

6 October 2017

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory Note:

The Ordinary Resolution 6 proposed in item 7 above is to authorise the Directors of the Company to issue shares in the capital of the Company up to an amount not exceeding in aggregate one hundred percent (100%) of the total number of issued shares in the capital of the Company, excluding treasury shares, at the time of the passing of this resolution, of which the aggregate number of shares to be issued other than on a pro-rata basis to the shareholders of the Company does not exceed fifty percent (50%) of the total number of issued shares in the capital of the Company, excluding treasury shares.

Notes:

1. A shareholder entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead.

2. Where a shareholder appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.

3. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at the Annual General Meeting. Relevant intermediary is either:

   (a) A banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity.

   (b) A person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or

   (c) The Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. A proxy need not be a shareholder of the Company.

5. The instrument appointing a proxy must be deposited at the registered office of the Company at 10 Anson Road, #29-07, International Plaza, Singapore 079903 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

PERSONAL DATA PROTECTION:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the meeting and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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ICP LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 196200234E)

PROXY FORM –
ANNUAL GENERAL MEETING

IMPORTANT:
1. For investors who have used their CPF monies to buy ICP Ltd.'s Shares, this Circular is forwarded to them at the request of their 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 vote should contact their CPF Approved Nominees.

I/We, ____________________ (Name) NRIC/Passport No. ____________

of ____ (Address)
being a member/members of **ICP LTD.** (the "**Company**"), hereby appoint:

Name	**NRIC/Passport Number**	**Proportion of Shareholding**	
		No. of Shares	**(%)**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport Number**	**Proportion of Shareholding**	
		No. of Shares	**(%)**
Address			

as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the Annual General Meeting ("AGM") to be held at Sophia Cooke Ballroom (Level 2), Y.W.C.A., Fort Canning Lodge, 6 Fort Canning Road, Singapore 179494, on Monday, 30 October 2017 at 1.30 p.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick "√" within the box provided)

No.	**Resolutions relating to:**	**For**	**Against**
	Ordinary Business:		
1	Adoption of Directors' Statement and Audited Financial Statements for the year ended 30 June 2017 together with the Auditors' Report		
2	Re-election of Mr. Aw Cheok Huat as a Director		
3	Re-election of Mr. Ong Kok Wah as a Director		
4	Approval of Directors' fees amounting to S$125,000/- for the year ended 30 June 2017		
5	Re-appointment of Messrs KPMG LLP as Auditors of the Company		
	Special Business		
6	Approval for Authority to Allot and Issue Shares		

Dated this ________ day of ____________ 2017

Total number of Shares in:	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM OVERLEAF

NOTES

1. Please insert the total number of shares in the share capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf 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. "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

3. A member who is not a Relevant Intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting of the Company. Where such member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument appointing a proxy or proxies. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100 per cent of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

4. A member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where more than one proxy is appointed, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. In relation to a Relevant Intermediary who wishes to appoint more than two proxies, it should annex to the instrument appointing a proxy or proxies the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of shares and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank who intends to appoint CPF investors as its proxies shall comply with this Note.

5. Completion and return of the instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy appointing a proxy or proxies to the meeting.

6. A proxy need not be a member of the Company.

7. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 10 Anson Road, #29-07, International Plaza, Singapore 079903 not less than 48 hours before the time set for the Meeting.

8. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her 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 its attorney or a duly authorised officer.

9. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

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

11. 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 appointer are not ascertainable from the instructions of the appointer specified in the instruments appointing a proxy or proxies. In addition, in the case of members whose Shares are entered against their names in the Depository Register, 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 as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 6 October 2017.

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INVESTMENT CAPITAL PARTNERS

ICP LTD.

ANNUAL REPORT FY2017

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