INVESTMENT CAPITAL PARTNERS

ICP LTD.

2016

ANNUAL REPORT

INVESTMENT CAPITAL PARTNERS

CONTENTS

This document has been prepared by the Company and the contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. ("Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist.

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

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, #29-02
International Plaza
Singapore 079903
Tel: 6747 1616
Fax: 6741 3525

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

CIMB Singapore

DBS Singapore

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

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 2016.

FINANCIAL PERFORMANCE

The Group's revenue attributable to the tanker owning subsidiaries reduced by 52.7% to S$1.9 million for the financial year ended 30 June 2016 ("FY2016") compared to S$3.9 million for the financial year ended 30 June 2015 ("FY2015") due to lower charter fees received as a result of the conversion from time chartering the ships to bareboat charter. The corresponding cost reduction from the conversion amounted to $1.6 million. The Group's gross profit reduced from S$1.1 million in FY2015 to S$0.7 million in FY2016 due to higher amortisation charge arising from dry docking expenditure.

The Group incurred an operating loss of S$3.8 million in FY2016, mainly due to impairment loss on the investment in Paragon Coal Pty Ltd ("Paragon") amounting to S$2.1 million. As announced on 10 December 2015, the holding company of Paragon, Tiaro Coal Ltd ("Tiaro") was placed into liquidation. The Board has decided to provide full impairment on its investment in these companies. Other contributing factors to the increase in operating loss is the 51.2% increase in administrative expenses from S$1.6 million in FY2015 to S$2.4 million in FY2016 due to an increase in personnel cost, professional fees and other operating expenses for the Group's expanding hospitality business.

Overall, the Group incurred a net loss of S$3.7 million in FY2016, largely attributable to the impairment loss on its investment in Paragon as explained above and the increase in operating costs of the hospitality business, compared to a net loss of S$4.6 million in FY2015.

MAJOR DEVELOPMENTS

On 19 February 2016, The Group entered into a Share Sale Agreement with Tucker Box Hotel Company Pty Limited to acquire the entire share capital of Travelodge (IP) Pty Limited ("TIP"), which was subsequently completed on 6 May 2016. The acquisition allowed the Group to consolidate its trade mark rights in Asia.

The Group's hospitality business under the Travelodge brand in Asia has made reasonable progress during the year. Travelodge (Thailand) Co., Ltd. ("TLT"), the joint venture between Travelodge Hotels (Asia) Pte. Ltd. and Absolute Hotel Services Company Limited for the master franchise of Travelodge in Thailand, has signed several Memorandum of Understandings for new Travelodge hotels across Thailand, in key travel destinations such as Chiang Mai and Bangkok. Contract reviews are ongoing and agreements are expected to be finalised in the near future. In addition, TLT has also signed a hotel management agreement to launch a new 150-room Travelodge Hotel in Pattaya, Thailand. The hotel, to be named Travelodge Jomtien due to its strategic location close to Jomtien Beach, is expected to open in 2019.

CHAIRMAN'S STATEMENT

BUSINESS OUTLOOK

In respect of property ownership in the hospitality segment of the Group under the Travelodge brand, the persistent low interest rates regime has led to excess liquidity and inflated hotel asset prices in many markets. Although Management has been actively seeking opportunities to acquire its first Travelodge hotel in certain parts of Asia, many of these acquisition targets do not meet the required risk-return profile to justify an investment. Nevertheless, the Group will continue to evaluate hotel acquisitions carefully and stand ready to invest, given the right opportunity.

In respect of hotel management, the current demand and supply dynamics of international midscale hotels in many parts of Asia continue to present attractive opportunities for the Group to expand the Travelodge brand in the region through hotel management and franchise. The increasing footprint of Travelodge hotels in Asia will help grow the Group's asset-light fee income business over a longer term horizon.

Over the course of the year, Management has been working on various opportunities to expand the Travelodge brand in Hong Kong, Singapore, Japan, Korea, Philippines and Vietnam. These countries make up phase 2 of the Group's expansion strategy after Thailand and Indonesia. Discussions are ongoing and management expects conclusion on some of these leads in the near future.

A NOTE OF APPRECIATION

On behalf of the Board of Directors and members of my senior management team, I wish to record my thanks to all our business partners for their invaluable support and faith in us. My appreciation also goes to all our employees for their commitment, hard work and sacrifices.

We look forward to your continued support and counsel this coming year.

AW CHEOK HUAT
Non-Executive Chairman

Singapore
30 September 2016

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

The Group's revenue generated from the tanker owning subsidiaries decreased by 52.7% to S$1.9 million for the financial year ended 30 June 2016 ("FY2016") compared to S$3.9 million for the financial year ended 30 June 2015 ("FY2015"). The decrease in revenue was primarily due to the conversion from time charter to bareboat charter of the vessels. The corresponding cost reduction from the conversion amounted to $1.6 million.

The Group registered a lower gross profit of S$0.7 million in FY2016 compared to S$1.1 million in FY2015 due mainly to higher docking amortisation costs.

Administrative expenses increased by 51.2% from S$1.6 million in FY2015 to S$2.4 million in FY2016. This is mainly due to the increase in personnel costs for the Group's expanding business segment in hospitality, and professional fees incurred in relation to these activities.

Other operating expenses amounting to S$2.1 million was due to impairment loss on the investment in Paragon Coal Pty Ltd ("Paragon") amounting to S$2.1 million. As announced on 10 December 2015, the holding company of Paragon, Tiaro Coal Ltd ("Tiaro") was placed into liquidation. The Board has decided to provide full impairment on its investment in these companies.

Finance income amounting to S$0.32 million in FY2016 was mainly due to interest income received from fixed deposits and investment.

Finance cost increased marginally by S$0.1 million due to net loss on foreign exchange.

Overall, the Group incurred a net loss of S$3.7 million in FY2016, largely attributable to the impairment loss on investment in Paragon and the increase in operating costs of the hospitality business, compared to a net loss of S$4.6 million in FY2015.

FINANCIAL POSITION

Non-current assets
Non-current assets decreased to S$22.0 million in FY2016 from S$23.6 million in FY2015 mainly attributable to the impairment loss on the investment in Paragon of S$2.1 million, offset by an increase of S$0.5 million in trademarks in relation to the acquisition of additional trademark rights.

Current assets
Current assets fell by 13.1% (S$3.4 million) from S$25.9 million in FY2015 to S$22.5 million in FY2016 mainly due to cash payment made for new trademark rights and an increase in operating expenses and capital expenditure for the hospitality division.

Non-current liabilities
Non-current liabilities decreased by S$1.1 million in FY2016 mainly due to the repayment of loans during the year.

Current liabilities
Current liabilities reduced marginally by S$0.2 million from S$2.3 million in FY2015 to S$2.1 million in FY2016.

Equity
Overall, the Group's total equity reduced by 9.2% to S$36.6 million as at 30 June 2016, compared to S$40.3 million as at 30 June 2015 mainly due to impairment loss on the investment in Paragon and the operating expenses for the hospitality division.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

CASH FLOWS

The Group's cash and cash at bank was S$22.2 million as at 30 June 2016.

The net cash used in operating activities of S$0.6 million in FY2016, compared to S$0.4 million of cash generated in FY2015 was mainly due to the drop in contributions from the tanker owning subsidiaries as a result of dry docking of the vessel and increased operating costs of the hospitality segment.

The net cash used in investing activities of S$0.5 million in FY2016 was mainly attributable to the acquisition of additional trademarks, dry docking expenditure, renovations and purchase of computer software for the hospitality segment, partially offset by the withdrawal of fixed deposits amounting to S$1.1 million.

Net cash used in financing activities of S$1.1 million in FY2016 is due to repayment of loans for the year.

OPERATIONS PERFORMANCE

Performance of Group's business segments is as follows:

(i) Shipping – represents investment in and chartering of ships
The Group's revenue of S$1.9 million in FY2016 is contributed by the tanker owning subsidiaries, compared to S$3.9 million in FY2015.

(ii) Hospitality – represents the marketing and promotion of the Travelodge hotel brand
The Group will continue to expand its hospitality business. In Q3 2015, a conceptual café (the "Lodge") under the Travelodge brand was set up, which contributed approximately $0.1 million in FY2016.

(iii) Investment Holding – representing investment and management activities
The Group main investments are in Paragon and Tiaro, as well as unquoted fund investments. The Group has since impaired its investment in Tiaro and Paragon.

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 some 25 years 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. SEOW HAN CHIANG WINSTON
Independent
Non-Executive Director

Mr. Seow 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. He also sits on the board of Eucon Holding Limited.

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 Boards 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 boards 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 October 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. 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. AW MING-YAO
Director and Vice President

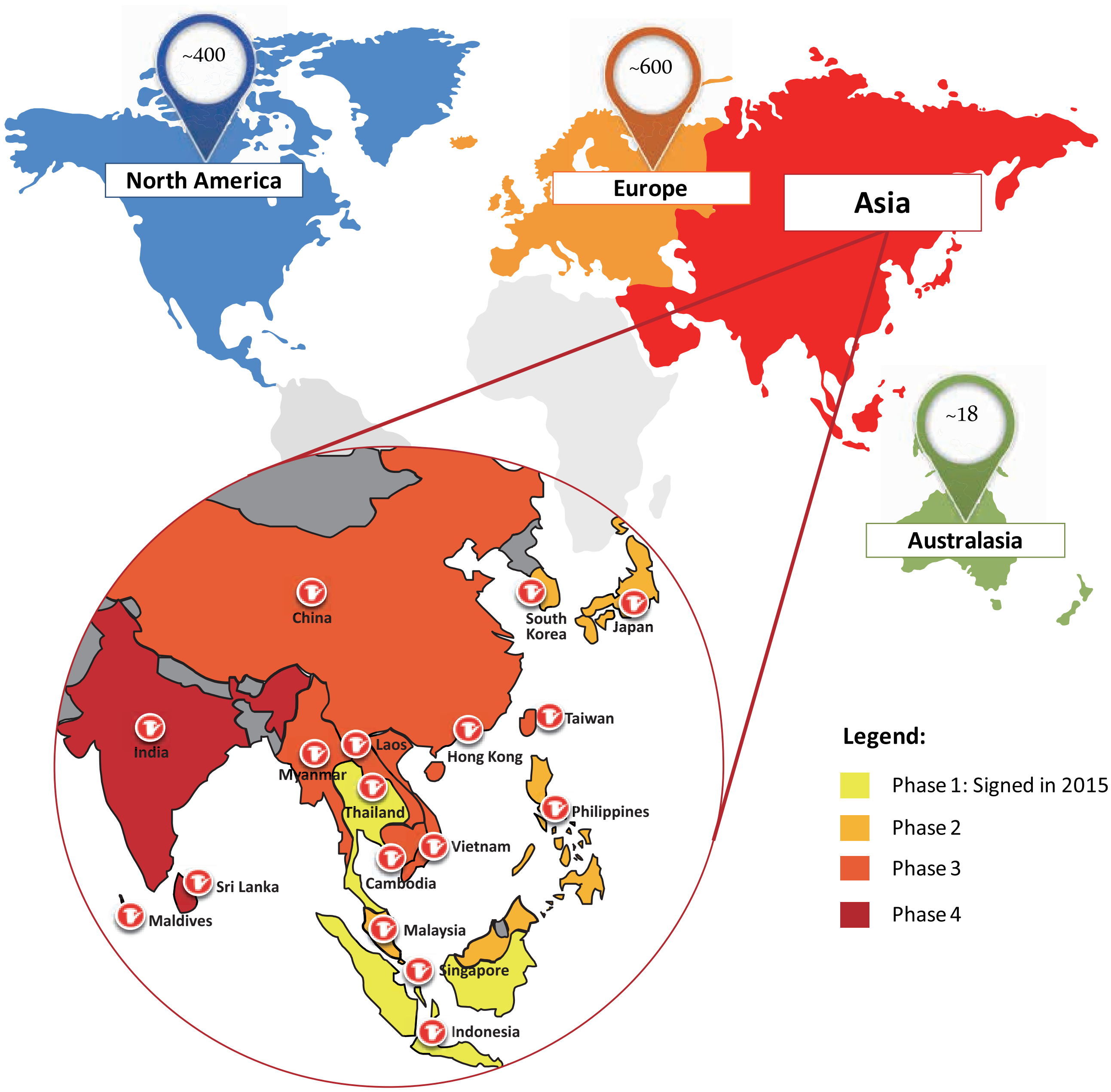
Mr. Aw Ming-Yao Marcus was appointed on 4 July 2016 as Director and Vice President – Finance & Development of Travelodge Hotels (Asia) Pte. Ltd.

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 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.

HOSPITALITY SEGMENT
OWNER OF A HOTEL BRAND THAT HAS A GLOBAL FOOTPRINT



EXPLORING
OUR BRANDS

Xenno BY TRAVELODGE

SIMPLE, PURPOSEFUL, AFFORDABLE

one BY TRAVELODGE

STYLISH, ECLECTIC, FUN

Travelodge

INTUITIVE, PRODUCTIVE, CONNECTED

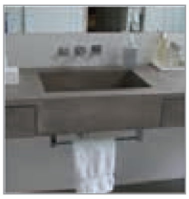
SKYE BY TRAVELODGE

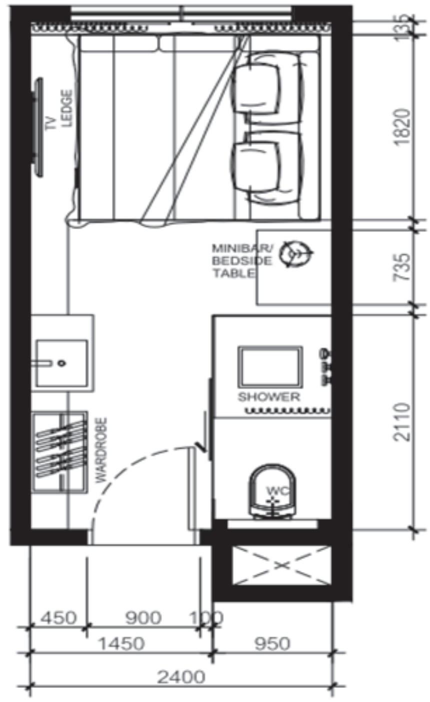
ATTENTIVE, LUXURIOUS, THOUGHTFUL

	ROOM SIZE	RATING GUIDE	THE GUEST	THE EXPERIENCE
SIMPLE, PURPOSEFUL, AFFORDABLE	12 – 18 sqm	★★½	Simple design, affordable rates and a focus on providing the indispensables cater to value-driven guests	Simple and no frills, with limited amenities
STYLISH, ECLECTIC, FUN	18 – 24 sqm	★★★½	Stylish on-the-go mavericks who appreciate avant-garde and unique design elements, and want a social cum business environment	Cool and fun with eclectic design concepts
INTUITIVE, PRODUCTIVE, CONNECTED	18 – 24 sqm	★★★½	Road warriors and families who value productivity, efficiency and security	Core limited service product for business travellers and families
ATTENTIVE, LUXURIOUS, THOUGHTFUL	24 – 32 sqm	★★★★½	Accomplished travellers who seek more attentive service with a personalised touch	Subtle luxury with the little extra touches
SENSIBLE BRAND STANDARDS WITH FLEXIBILITY TO LOCALISE TO EACH MARKET AND CUSTOMISE TO EACH OWNER				

Xenno
BY TRAVELODGE

SIMPLE, PURPOSEFUL, AFFORDABLE

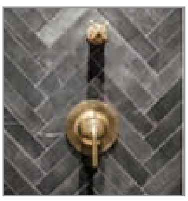


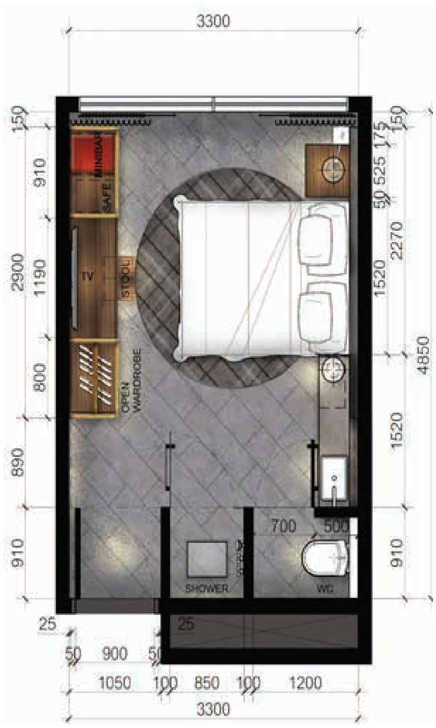


Dimensions shown are indicative only, subject to room size and layout.

one
BY TRAVELODGE

STYLISH, ECLECTIC, FUN

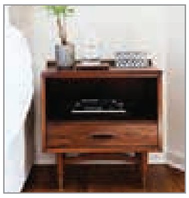




Dimensions shown are indicative only, subject to room size and layout.

Travelodge

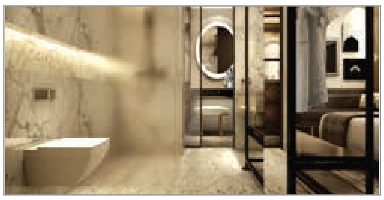
INTUITIVE, PRODUCTIVE, CONNECTED



Dimensions shown are indicative only, subject to room size and layout.

SKYE
BY TRAVELODGE

ATTENTIVE, LUXURIOUS, THOUGHTFUL



Dimensions shown are indicative only, subject to room size and layout.

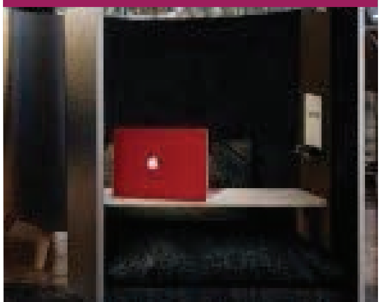
THE LODGE:
OUR TRADEMARK MULTI FUNCTIONAL F&B OUTLET

Communal tables with high stools and low chairs for dining and working

Comfortable sofas for social or business meetings

The Lodge has been custom designed with a mix of seating

Individual pods offer privacy & connectivity



Breakfast and all-day dining

A unique fusion of spaces with multi-functionality at its core

The Lodge Morphs Throughout The Day

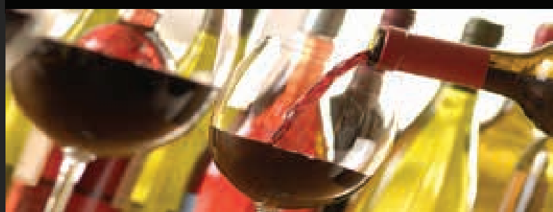
Coffee Culture with Barista

Networking Events

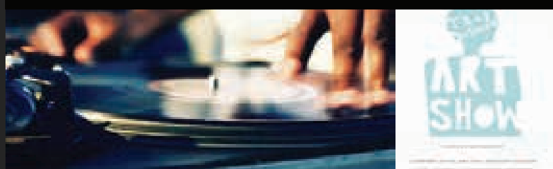
Ambient lighting in the day

Great ambiance and music to work and relax with

An after-hours destination



Quality wine by the glass



Visiting DJs, pop up stores, art shows and more

Maximizing Revenue Generation & Real Estate Utilization

FLEXIBLE PARTNERSHIP **OPTIONS**

<table>
<tr><th></th><th>Country/Area Master Franchise</th><th>Franchise</th><th>Management Contract</th></tr>
<tr><td>Description</td><td>• Travelodge franchises its brand to a local hotel group who has a track record of owning and operating hotels
• All Travelodge hotels operated by the Master Franchisee, whether self-owned or owned by third parties, gain access to the Travelodge's CRS, and Sales and Marketing infrastructure</td><td>Travelodge franchises its brand to the hotel owner, who gains access to Travelodge's CRS, and Sales and Marketing infrastructure.</td><td>Travelodge assists in the construction/refurbishment of the hotel where applicable, and manages the operations of the hotel on behalf of the Owner.</td></tr>
<tr><td>Partner/Owner</td><td>The Partner, as the exclusive Master Franchisee of Travelodge in the territory, is responsible for operating self-owned and/or third party-owned hotels in compliance with Brand Standards
• For self-owned hotels, arrangement is similar to the Franchise arrangement
• For third party-owned hotels, the Master Franchisee receives the hotel management fees after paying Travelodge Master Franchise fees</td><td>Owner, as Franchisee, is responsible for the operations of the hotel and to ensure compliance with Brand Standards, and receives income from hotel operations after payment of Travelodge franchise fees.</td><td>Owner receives income from hotel operations after payment of Travelodge management fees.</td></tr>
<tr><td>Travelodge</td><td colspan="2">Travelodge provides access to its CRS and Sales and Marketing infrastructure, therefore supporting the hotels on revenue management and distribution. Travelodge as the Franchisor receives franchise fees and contributions to the Sales and Marketing Fund.</td><td>Travelodge, as Manager, receives management fees and contributions to the Sales and Marketing Fund.</td></tr>
<tr><td colspan="4">• Other commercial arrangements including but not limited to Manchise, Area Development Agreement, M&A or JVs can be considered should these be mutually beneficial to Travelodge and Partner/Owner</td></tr>
</table>

TRAVELODGE DEVELOPMENT **PIPELINE**

Country	Brand	City	Rooms	Status as at 31 August 2016
Thailand 	Travelodge	Pattaya	150	Signed HMA
	Travelodge	Bangkok	282	Signed MOU
	Travelodge	Bangkok	140	Signed MOU
	Travelodge	Chiang Mai	80	Signed MOU
	Travelodge	Bangkok	80	Signed MOU
	Travelodge	Bangkok	160	Signed MOU

MOU = Memorandum of Understanding

HMA = Hotel Management Agreement

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 observing high standard of corporate governance.

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:

(a) Audit Committee ("AC")
(b) Nominating Committee ("NC")
(c) Remuneration Committee ("RC")

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.

REPORT ON CORPORATE GOVERNANCE

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

The Board conducts regular scheduled meetings at least twice a year and meets as and when deemed necessary. 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.

The number of Board and Board committee meetings held during the financial year ended 30 June 2016 ("FY2016"), 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 FY2016	4	2	1	1
	No. of meetings attended	**No. of meetings attended**	**No. of meetings attended**	**No. of meetings attended**
Mr. Aw Cheok Huat[1]	4	1	NA	NA
Mr. Tan Kok Hiang	4	2	1	1
Mr. Winston Seow Han Chiang	4	2	1	1
Mr. Ong Kok Wah[1]	4	1	1	1

1 Mr. Ong Kok Wah was appointed as a member of the AC in place of Mr. Aw Cheok Huat with effect from 30 November 2015.

Specific matters which requires Board's approval include:

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

A transaction is considered material if the value of the transaction exceeds 5% of the Group's net tangible assets.

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

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.

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.

REPORT ON CORPORATE GOVERNANCE

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 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, non-executive directors will also meet without the presence of Management.

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 7 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 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 a 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. Tan Kok Hiang and Mr. Winston Seow Han Chiang 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. The NC would consider the implementation of a formal evaluation for the Board Committees for the next financial year.

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 FY2016, 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 FY2016.

The NC has recommended to the Board that Mr. Tan Kok Hiang and Mr. Winston Seow Han Chiang 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. Going forward, the Company has plans to conduct assessment of the individual directors.

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.

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.

Principle 9: Disclosure on remuneration

For the financial year under review, the RC recommended Directors' fees of S$141,000 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.

Remuneration of Non-Executive Directors

The aggregate compensation payable to non-executive Directors for services in all capacities for the financial year ended 30 June 2016 is set out in the table below.

Name	**Director Fee ($)**
Aw Cheok Huat	41,000
Tan Kok Hiang	36,000
Winston Seow Han Chiang	32,000
Ong Kok Wah	32,000

REPORT ON CORPORATE GOVERNANCE

Remuneration of Other Key Management and Senior Management

The breakdown of the remuneration of the top five key management and senior management for the financial year ended 30 June 2016 is set out in the table below.

Below S$150,000

Name	Remuneration (%)*1	Provident Fund (%)*2	Total (%)*3
Wilson Soh Chiong Siong (resigned on 5 August 2015)	93.75	6.25	100
Wright Edward Dennis (resigned on 30 October 2015)	100	–	100
Linda Lee Miau Kheng (resigned on 30 November 2015)	92.70	7.30	100

Notes:

1. Remuneration refers to base salary and allowance earned for the financial year ended 30 June 2016.
2. Provident fund represents payments in respect of company statutory contributions to the Singapore Central Provident Fund.
3. Total is the sum of fixed remuneration and provident fund for the financial year ended 30 June 2016.

The total remuneration paid to the above is S$139,493 for the financial year ended 30 June 2016.

There is no employee who is an immediate family member of a director and whose remuneration exceeded S$50,000 during FY2016.

The shareholders of the Company had on 26 October 2006 approved the Scheme, a long term incentive scheme for the Group's eligible employees and Directors. The RC is responsible for the administration of the Scheme. No share option has been granted since the adoption of the Scheme in October 2006 and the Company does not intend to seek shareholders' or relevant authorities' approval to extend the Scheme beyond 26 October 2016.

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.

REPORT ON CORPORATE GOVERNANCE

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:

(a) that the financial records have been properly maintained and the financial statements give 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.

Based on the internal controls established and maintained by the Group, work performed by the external auditors, and reviews performed by the Management, various Board Committees, 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 as at 30 June 2016.

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.

REPORT ON CORPORATE GOVERNANCE

The AC meets at least twice a year to perform and carry out its duties and functions which are set out on page 33 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.

The aggregate amount of fees paid to the external auditors for the financial year ended 30 June 2016 are as follows:

Services	**KPMG LLP Singapore (S$)**	**Other firms of Certified Public Accountants (S$)**
Statutory audit fees	85,000	Nil
Non-audit fees	Nil	Nil

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 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.

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, 715 and 716 of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules") are complied with.

REPORT ON
CORPORATE GOVERNANCE

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 Complete Corporate Services Pte Ltd, a professional consultancy firm.

The AC reviews the audit plan and activities of the internal auditors. It also reviews the reports by the internal auditors and the effectiveness of actions taken by Management on the recommendations made by the internal auditors.

The AC is of the opinion that the out-sourced internal audit function would complement the internal controls system established and maintained by the Group.

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 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 for each substantially separate issue at general meetings. The Company does not have a Dividend policy.

All resolutions tabled at general meeting will be voted by way of poll.

REPORT ON CORPORATE GOVERNANCE

The proceeding 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 Company and its 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.

The Company and its 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.

There were no interested persons transactions between the Company or its subsidiaries and any of its interested persons entered into during the financial year under review save as disclosed in Note 28 to the financial statements in this annual report. The Company does not have a shareholders' mandate 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 FY2016 or if not then subsisting, entered into since the end of the previous financial year.

REPORT ON CORPORATE GOVERNANCE

USE OF PROCEEDS ARISING FORM THE RENOUNCEABLE AND NON-UNDERWRITTEN RIGHTS ISSUE

The net proceeds from the 2012 Rights Issue and 2014 Rights Issue were S$11.22 million and S$12.31 million respectively. As at 30 June 2016, the cash proceeds are as follows:–

Utilisation of Rights Issue Proceeds	S$ million
Balance of net proceeds from 2012 Rights Issue	0.69
Net proceed raised from the 2014 Rights Issue	12.31
Balance of net proceeds from the 2012 Rights Issue and 2014 Rights Issue	13.00

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.

CATALIST SPONSORS

No non-sponsor fees were paid to the Company's Sponsor, RHT Capital Pte. Ltd. for FY2016.

DIRECTORS' STATEMENT

Year ended 30 June 2016

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 2016.

In our opinion:

(a) the financial statements set out on pages 37 to 96 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 2016 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	**Holdings at beginning of the year**	**Holdings at end of the year**	**Holdings at beginning of the year**	**Holdings at end of the year**
The Company				
Ordinary shares ('000)				
Aw Cheok Huat	163,270	163,270	431,077[(i)]	546,400[(i)]
Ong Kok Wah	35,600	35,600	–	–
Tan Kok Hiang	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 2016

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.

There was no change in any of the above mentioned interests in the Company between the end of the financial year and 21 July 2016.

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 2016

Share options (cont'd)

Principal terms of the Scheme (cont'd)

(iii) Share options, exercise period and exercise price

The share options that are granted under the Scheme may have exercise prices that are, at the Committee'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 ("Market Price Share Option") 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 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 2016

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.

Audit Committee

The members of the Audit Committee as 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 and receiving and considering the reports of the external auditors and internal auditors including their evaluation of the system of internal controls. 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 2016

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

At the Annual General Meeting held on 27 October 2015, KPMG LLP was appointed as auditors of the Company.

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

30 September 2016

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the financial statements

We have audited the accompanying financial statements of ICP Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 37 to 96.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the financial statements (cont'd)

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Other matter

The consolidated financial statements of the Group for the year ended 30 June 2015 were audited by another auditor who expressed an unmodified opinion on those statements on 30 September 2015.

Report on other legal and regulatory requirements

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
30 September 2016

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2016

	Note	Group 2016 S$'000	Group 2015 S$'000 Restated	Company 2016 S$'000	Company 2015 S$'000
Assets					
Plant and equipment	4	**15,434**	15,828	**–**	–
Intangible assets	5	**5,529**	4,884	**–**	–
Subsidiaries	6	**–**	–	**9,765**	9,615
Joint venture	7	**4**	–	**–**	–
Available-for-sale financial assets	8	**992**	2,850	**992**	734
Club membership		**28**	28	**–**	–
Non-current assets		**21,987**	23,590	**10,757**	10,349
Other receivables and prepayments	9	**284**	403	**14,087**	14,557
Inventories		**6**	–	**–**	–
Cash and cash at bank	10	**22,221**	25,491	**20,390**	22,651
Current assets		**22,511**	25,894	**34,477**	37,208
Total assets		**44,498**	49,484	**45,234**	47,557
Equity					
Share capital	11	**82,824**	82,824	**82,824**	82,824
Reserves	12	**(50,467)**	(46,549)	**(49,525)**	(47,031)
Equity attributable to equity holders of the Company		**32,357**	36,275	**33,299**	35,793
Non-controlling interests	14	**4,193**	3,986	**–**	–
Total equity		**36,550**	40,261	**33,299**	35,793
Liabilities					
Loans and borrowings	15	**3,660**	4,740	**–**	–
Amounts due to non-controlling interests	16	**1,400**	1,400	**–**	–
Deferred tax liability	18	**780**	780	**–**	–
Non-current liabilities		**5,840**	6,920	**–**	–
Loans and borrowings	15	**1,080**	1,080	**–**	–
Trade and other payables	17	**1,028**	1,223	**11,935**	11,764
Current liabilities		**2,108**	2,303	**11,935**	11,764
Total liabilities		**7,948**	9,223	**11,935**	11,764
Total equity and liabilities		**44,498**	49,484	**45,234**	47,557

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2016

	Note	Group 2016 S$'000	Group 2015 S$'000 Restated
Revenue	19	**1,950**	3,952
Cost of sales		**(1,238)**	(2,806)
Gross profit		**712**	1,146
Other income		**6**	18
Administrative expenses		**(2,391)**	(1,581)
Other expenses		**(2,115)**	(4,131)
Results from operating activities		**(3,788)**	(4,548)
Finance income	20	**320**	296
Finance costs	20	**(243)**	(155)
Net finance income		**77**	141
Loss before tax	21	**(3,711)**	(4,407)
Tax expense	22	**–**	(176)
Loss for the year, representing total comprehensive loss for the year		**(3,711)**	(4,583)
Loss for the year, representing total comprehensive loss for the year attributable to:			
Owners of the Company		**(3,918)**	(4,941)
Non-controlling interests		**207**	358
Loss for the year		**(3,711)**	(4,583)
Loss per share			
Basic and diluted (cents per share)	24	**(0.15)**	(0.19)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2016

	Share capital S$'000	Other reserve S$'000	Accumulated losses S$'000	Total attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
Group						
At 1 July 2014	82,824	(2,059)	(39,549)	41,216	3,628	44,844
Total comprehensive income for the year						
(Loss)/Profit for the year	–	–	(4,941)	(4,941)	358	(4,583)
Total comprehensive income for the year	–	–	(4,941)	(4,941)	358	(4,583)
At 30 June 2015	82,824	(2,059)	(44,490)	36,275	3,986	40,261
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	–	–	(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**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2016

	Note	Group 2016 S$'000	Group 2015 S$'000 Restated
Cash flows from operating activities			
Loss before tax		**(3,711)**	(4,407)
Adjustments for:			
Depreciation for the year		**1,229**	876
Amortisation for the year		**58**	17
Impairment loss on available-for-sale financial assets		**2,116**	4,150
Plant and equipment written-off		**17**	–
Finance costs		**197**	155
Finance income		**(320)**	(251)
Investment income from available-for-sale financial assets		**–**	(26)
Unrealised foreign exchange loss/(gain)		**43**	(11)
		(371)	503
Changes in working capital:			
Inventories		**(6)**	–
Other receivables and prepayments		**136**	(216)
Trade and other payables		**(195)**	268
Cash (used in)/generated from operations		**(436)**	555
Interest paid		**(197)**	(155)
Net cash (used in)/from operating activities		**(633)**	400
Cash flows from investing activities			
Acquisition of available-for-sale financial assets		**(276)**	(531)
Acquisition of plant and equipment		**(852)**	(1,147)
Acquisition of intangibles and trademark rights		**(703)**	(3,734)
Bank deposits pledged		**–**	(1)
Withdrawal/(Placement) of fixed deposits with tenor of more than 3 months placed with financial institutions		**1,062**	(20,138)
Investment in joint venture		**(4)**	–
Interest received		**303**	155
Investment income from available-for-sale financial assets		**–**	26
Return of investment capital from available-for-sale financial assets		**18**	155
Net cash used in investing activities		**(452)**	(25,215)
Cash flows from financing activities			
Proceeds from borrowings, secured		**–**	6,000
Repayment of borrowings, secured		**(1,080)**	(5,520)
Net cash (used in)/from financing activities		**(1,080)**	480
Net decrease in cash and cash equivalents		**(2,165)**	(24,335)
Cash and cash equivalents at 1 July		**5,202**	29,526
Effects of exchange rate fluctuations on cash held		**(43)**	11
Cash and cash equivalents at 30 June	10	**2,994**	5,202

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 September 2016.

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, #29-02 International Plaza, Singapore 079903.

The financial statements of the Group as at and for the year ended 30 June 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's investments in joint venture.

The principal activities of the Company are those of investment holding and management company. The principal activities of the Group entities are set out in note 6 to the consolidated financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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 2016

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(i) Business combinations (cont'd)

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.

(iv) Investment in joint venture

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.

Investment in joint venture is accounted for using the equity method. It is 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 commences until the date that significant influence ceases.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(iv) Investment in joint venture (cont'd)

When the Group's share of losses exceeds its investment in a joint venture, 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 joint venture's operations or has made payments on behalf of the joint venture.

(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 investee. 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 and joint venture in the separate financial statements

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

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are 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 retranslation 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).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

3 Significant accounting policies (cont'd)

3.2 Foreign currency (cont'd)

(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. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and are translated at the exchange rates at the reporting date. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

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 a 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.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

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

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, 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 equity securities and fund investments.

(ii) Non-derivative financial liabilities

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

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

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

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, amounts due to non-controlling interests and trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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 2016

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 the 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. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

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
Machinery and equipment	–	3 to 10 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 2016

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 joint venture and, 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 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 as indefinite useful life 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 lives for the current and comparative years are 3 years for software.

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 2016

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 a 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 2016

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 2016

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

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

Joint venture

An impairment loss in respect of a 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 ready 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 2016

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 a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in a 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 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 2016

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 2016, there is no share-based payment transactions with the Group's employees.

3.10 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs.

3.11 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) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

3 Significant accounting policies (cont'd)

3.12 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.

3.13 Finance income and costs

Finance income comprises interest income on bank deposits. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expenses on 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.

3.14 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

3 Significant accounting policies (cont'd)

3.14 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 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 2016

3 Significant accounting policies (cont'd)

3.15 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.

3.16 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 Significant accounting policies (cont'd)

3.17 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2015, and have not been applied in preparing these financial statements.

These new standards include, among others, FRS 115 *Revenue from Contracts with Customers* and FRS 109 *Financial Instruments* which are mandatory for adoption by the Group on 1 July 2018.

- 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 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group and the Company in accounting for revenue and financial instruments, these standards are expected to be relevant to the Group and the Company. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Company. The Group does not plan to adopt these standards early.

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 ("IFRS") for financial years ending 30 June 2019 onwards. Singapore-incorporated companies listed on SGX will have to assess the impact of IFRS 1 *First-time adoption of IFRS* when transitioning to the new reporting framework. The Group is currently assessing the impact of transitioning to the new reporting framework on its consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

4 Plant and equipment

	Vessels S$'000	Dry-docking expenditures S$'000	Machinery and equipment S$'000	Renovations S$'000	Furniture and fittings S$'000	Computer equipment S$'000	Total S$'000
Group							
Cost							
At 1 July 2014	18,158	–	2,514	–	–	–	20,672
Additions	196	700	–	249	–	2	1,147
Written-off	–	–	(2,453)	–	–	–	(2,453)
Reclassification	–	–	(61)	–	–	61	–
At 30 June 2015 – restated	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**
Accumulated depreciation							
At 1 July 2014	2,638	–	2,477	–	–	–	5,115
Depreciation for the year	727	121	20	7	–	1	876
Written-off	–	–	(2,453)	–	–	–	(2,453)
Reclassification	–	–	(44)	–	–	44	–
At 30 June 2015 – restated	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**
Carrying amounts							
At 1 July 2014	15,520	–	37	–	–	–	15,557
At 30 June 2015 – restated	14,989	579	–	242	–	18	15,828
At 30 June 2016	**14,565**	**602**	**–**	**229**	**10**	**28**	**15,434**

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2016

4 Plant and equipment (cont'd)

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

	Group 2016 S$'000	Group 2015 S$'000
– cost of sales	**1,147**	848
– administrative expenses	**82**	28
	1,229	876

(ii) The vessels with net carrying amount of S$15.1 million (2015: S$15.6 million) are pledged to a bank as collaterals for the secured term loans (Note 15).

5 Intangible assets

	Software S$'000	Goodwill S$'000	Trademark S$'000	Total S$'000
Group				
Cost				
At 1 July 2014	–	1,167	–	1,167
Additions	132	–	3,602	3,734
At 30 June 2015 – restated	132	1,167	3,602	4,901
Additions	77	–	626	703
At 30 June 2016	**209**	**1,167**	**4,228**	**5,604**
Accumulated amortisation				
At 1 July 2014	–	–	–	–
Amortisation for the year	17	–	–	17
At 30 June 2015 – restated	17	–	–	17
Amortisation for the year	58	–	–	58
At 30 June 2016	**75**	**–**	**–**	**75**
Carrying amounts				
At 1 July 2014	–	1,167	–	1,167
At 30 June 2015	115	1,167	3,602	4,884
At 30 June 2016	**134**	**1,167**	**4,228**	**5,529**

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

5 Intangible assets (cont'd)

(i) Goodwill

Impairment assessment

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

	Group	
	2016	**2015**
	S$'000	**S$'000**
Cash-generating units		
GMT Bravo Pte. Ltd.	**613**	613
GMT Charlie Pte. Ltd.	**554**	554
	1,167	1,167

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

The recoverable amounts of the CGUs are determined from value-in-use calculations, using 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	
	2016	**2015**	**2016**	**2015**
	%	**%**	**%**	**%**
GMT Bravo Pte Ltd	**Nil**	Nil	**7.9**	6.9
GMT Charlie Pte Ltd	**Nil**	Nil	**7.9**	6.8

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. The projected residual value is based on the recent scrap steel price per deadweight tonne.

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 CGU.

Sensitivity to change in assumptions

Management has identified that a decrease in the projected charter income growth rate by 6% (2015: 14%) would cause the carrying amount of the CGUs to exceed the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

5 Intangible assets (cont'd)

(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.

During the year, 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.

Impairment assessment

The recoverable amounts of trademark rights are determined based on value-in-use calculations, using 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:

	2016	2015
	%	%
Average growth in number of rooms	**40**	115
Average room occupancy rate	**68**	68
Pre-tax discount rate	**7.9**	9.1
Terminal growth rate	**4**	5

In 2015, the cash flow projections were based on the cash flows to be derived from the management's budgeted plan. In 2016, 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 Thailand and Indonesia.

A pre-tax discount rate was adopted for the calculation of value-in-use. The pre-tax discount rate using 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

5 Intangible assets (cont'd)

(ii) Trademark rights (cont'd)

Sensitivity to changes in assumptions:

Management has identified the following key assumptions for which a change as set out below could cause the carrying amount of the trademark rights to exceed the recoverable amount.

	Change required for the carrying amount to equal the recoverable amount	
Assumptions:	**2016**	**2015**
	%	**%**
Pre-tax discount rate (increase)	**4**	14
Average room occupancy rate (decrease)	**10**	18
Terminal growth rate (decrease)	**2**	3

6 Subsidiaries

	Company	
	2016	**2015**
	S$'000	**S$'000**
Unquoted equity shares, at cost	**11,511**	11,361
Less: Allowance for impairment	**(1,746)**	(1,746)
Net carrying value	**9,765**	9,615

In the prior year, the Company identified that there were indicators of impairment in the investment in a subsidiary, Dynamar Holdings Pte Ltd. The Company assessed that the recoverable amount of the investment in subsidiary, based on its fair value less costs to sell, to be S$9.6 million. Accordingly, the Company recognised an allowance for impairment loss on the investment in the subsidiary based on the portion of the carrying amount of the investment that is in excess of its recoverable amount.

The Company assessed that there was no indication of impairment in its investment in subsidiaries in the current year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

6 Subsidiaries (cont'd)

Details of subsidiaries as at 30 June 2016 are as follow:

Name of subsidiary	Principal activities	Place of operation/ Country of incorporation	Group's effective equity interest 2016 %	2015 %
Held by the Company				
Dynamar Holdings Pte. Ltd.^	Investment holding and management consultancy	Singapore	**100**	100
Goldtron Management Services Pte. Ltd.^	Management consultancy	Singapore	**100**	100
ICP Marine Pte. Ltd.^	Investment holding	Singapore	**100**	100
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
Held by Dynamar Holding Pte. Ltd.				
Valtron Technology Pte. Ltd.^	Inactive	Singapore	**100**	100
Held by Goldtron Management Services Pte. Ltd.				
Goldtron Trading Pte. Ltd.	Dormant	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**	–
Tu Jin Hotels (IP) Pte. Ltd.	Investment holding	Singapore	**100**	–
Travelodge Hotels India (IP) Pte. Ltd.	Investment holding	Singapore	**100**	–
Held by Travelodge Hotels (Asia) Pte. Ltd.				
Tu Jin Hotels Pte. Ltd.	Hospitality services	Singapore	**100**	–

^ Audited by KPMG LLP Singapore

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

6 Subsidiaries (cont'd)

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% of 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.

7 Joint venture

	Group	
	2016	2015
	S$'000	S$'000
Unquoted equity shares at cost	**4**	–

Details of joint venture as at 30 June 2016 are as follow:

Name of joint venture	Principal activities	Place of operation/ Country of incorporation	Group's effective equity interest	
			2016	2015
			%	%
Travelodge (Thailand) Co., Ltd.	Management and operation of hotels	Thailand	**20**	–

The financial information of the joint venture was not presented as the joint venture is immaterial to the Group.

8 Available-for-sale financial assets

	Group		Company	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Unquoted equity securities	**6,266**	6,266	**–**	–
Unquoted fund investments	**992**	734	**992**	734
	7,258	7,000	**992**	734
Provision for impairment	**(6,266)**	(4,150)	**–**	–
	992	2,850	**992**	734

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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

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 the prior year, the Group assessed that there was objective evidence of impairment in its investment in Tiaro as the entity entered into voluntary liquidation 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 the current year, 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 during the year.

Impairment

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

	Group	
	2016	**2015**
	$'000	**$'000**
At 1 July	**4,150**	–
Impairment loss recognised	**2,116**	4,150
At 30 June	**6,266**	4,150

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

9 Other receivables and prepayments

	Group		Company	
	2016	**2015**	**2016**	**2015**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Non-trade amount due from subsidiaries	**–**	–	**13,870**	14,357
Deposits	**57**	30	**20**	20
Interest receivable	**146**	129	**146**	129
Tax recoverable	**–**	14	**–**	14
Other receivables	**44**	204	**25**	12
Loans and receivables	**247**	377	**14,061**	14,532
Prepayments	**37**	26	**26**	25
	284	403	**14,087**	14,557

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.

10 Cash and cash at bank

	Group		Company	
	2016	**2015**	**2016**	**2015**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Cash and bank balances	**2,994**	5,202	**1,314**	2,513
Fixed deposits	**19,227**	20,289	**19,076**	20,138
Cash and cash at bank	**22,221**	25,491	**20,390**	22,651
Fixed deposits with tenor of more than 3 months placed with financial institutions	**(19,076)**	(20,138)		
Fixed deposits pledged	**(151)**	(151)		
Cash and cash equivalents in the statement of cash flows	**2,994**	5,202		

The weighted average effective interest rates per annum relating to fixed deposits at the reporting date for the Group and Company ranged from 0.85% to 1.72% (2015: 0.35% to 1.2%).

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

11 Share capital

	Company			
	2016		2015	
	No. of shares	S$'000	No. of shares	S$'000
Issued and fully paid ordinary shares, with no par value				
At 1 July/30 June	**2,551,689**	**82,824**	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.

12 Reserves

	Group		Company	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Other reserve	**(2,059)**	(2,059)	**–**	–
Accumulated losses	**(48,408)**	(44,490)	**(49,525)**	(47,031)
	(50,467)	(46,549)	**(49,525)**	(47,031)

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").

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

13 Share-based payment arrangement (cont'd)

Share Option Scheme 2006 (cont'd)

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.

(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 that are granted under the Scheme may have exercise prices that are, at the Committee'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 ("Market Price Share Option") 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

13 Share-based payment arrangement (cont'd)

Share Option Scheme 2006 (cont'd)

(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 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 2016, there were no share options granted under the Scheme.

14 Non-controlling interests

The following subsidiaries have NCIs that are material to the Group.

Name	Principal places of business/ Country of incorporation	Ownership interests held by NCI	
		2016	**2015**
GMT Bravo Pte. Ltd.	Singapore	**49%**	49%
GMT Charlie Pte. Ltd.	Singapore	**49%**	49%

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2016

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%	
2016			
Revenue	924	946	
Profit/Total comprehensive income	249	174	
Attributable to NCI:			
– Profit/Total comprehensive income	122	85	207
Non-current assets	7,500	7,668	
Current assets	953	758	
Non-current liabilities	(3,443)	(3,777)	
Current liabilities	(552)	(552)	
Net assets	4,458	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)	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

14 Non-controlling interests (cont'd)

	GMT Bravo S$'000	GMT Charlie S$'000	Total S$'000
2015			
Revenue	1,955	1,997	
Profit/Total comprehensive income	338	391	
Attributable to NCI:			
– Profit/Total comprehensive income	166	192	358
Non-current assets	7,848	7,720	
Current assets	901	1,308	
Non-current liabilities	(3,982)	(4,327)	
Current liabilities	(552)	(783)	
Net assets	4,215	3,918	
Net assets attributable to NCI	2,066	1,920	3,986
Cash flows from operating activities	748	994	
Cash flows used in investing activities	(587)	(310)	
Cash flows from financing activities	268	173	
Net increase in cash and cash equivalents	429	857	

15 Loan and borrowings

	Group	
	2016 S$'000	2015 S$'000
Secured bank loans		
– Current	**1,080**	1,080
– Non-current	**3,660**	4,740
	4,740	5,820

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

15 Loan 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
2016					
Secured bank loans	SGD	2.5% + higher of 3-month SWAP offer rate or 3-month cost of fund of the lender	2017 to 2020	**4,740**	**4,740**
2015					
Secured bank loans	SGD	2.5% + higher of 3-month SWAP offer rate or 3-month cost of fund of the lender	2016 to 2020	5,820	5,820

The term loans are secured over:

(i) Existing first priority statutory mortgage over the Group's vessel (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) Bank deposits of certain subsidiaries pledged as collaterals (Note 10).

16 Amounts due to non-controlling interests

The repayment of the 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 amounts due to non-controlling interests are interest-free and unsecured.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2016

17 Trade and other payables

	Group		Company	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Trade payables	**78**	91	**–**	–
Accrued operating expenses	**343**	472	**179**	175
Dividend payable	**564**	564	**564**	564
Non-trade amount due to a subsidiary	**–**	–	**11,150**	11,000
Others	**43**	96	**42**	25
	1,028	1,223	**11,935**	11,764

Non-trade amount due 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.

18 Deferred tax liability

Movement in deferred tax balances

	At 1 July 2015	Recognised in profit or loss	At 30 June 2015	Recognised in profit or loss	At 30 June 2016
	S$'000	S$'000	S$'000	S$'000	S$'000
Plant and equipment	604	176	780	–	**780**

19 Revenue

	Group	
	2016	2015
	S$'000	S$'000
Charter income	**1,870**	3,952
Sales of food and beverages	**80**	–
	1,950	3,952

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

20 Finance income and finance costs

	Group 2016 S$'000	Group 2015 S$'000 Restated
Interest income on loan and receivables	**320**	251
Investment income from available-for-sale financial assets	**–**	26
Gain on foreign exchange (net)	**–**	19
Finance income	**320**	296
Interest expense on financial liabilities measured at amortised cost	**(197)**	(155)
Loss on foreign exchange (net)	**(46)**	–
Finance costs	**(243)**	(155)
Net finance income recognised in profit or loss	**77**	141

21 Loss before tax

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

	Group 2016 S$'000	Group 2015 S$'000
Audit fees paid and payable to:		
– auditors of the Company	**85**	66
Non audit fees paid and payable to:		
– other auditor	**10**	–
Cost of inventories recognised to profit or loss	**38**	–
Depreciation for the year	**1,229**	876
Amortisation for the year	**58**	17
Plant and equipment written-off	**17**	–
Impairment loss on available-for-sale financial assets	**2,116**	4,150
Operating lease expenses	**219**	176
Ship management fees	**52**	1,906
Employee benefits expense		
Salaries, bonuses and other costs	**764**	499
Contributions to defined contribution plans	**65**	22
	829	521

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

22 Tax expenses

Tax recognised in profit or loss

	Note	2016 S$'000	2015 S$'000
Current tax expense			
Current year		**–**	–
Deferred tax expense			
Origination and reversal of temporary differences	18	**–**	176
Total tax expense		**–**	176

Reconciliation of effective tax rate

	2016 S$'000	2015 S$'000
Loss before tax	**(3,711)**	(4,407)
Tax using the Singapore tax rate of 17% (2015: 17%)	**(631)**	(749)
Change in unrecognised temporary differences	**628**	930
Tax exempt income	**–**	(3)
Others	**3**	(2)
	–	176

At 30 June 2016, the Group has estimated unabsorbed tax losses amounting to S$22.48 million (2015: S$22.48 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 companies 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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.

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.

Loan and receivables at the end of each reporting period are not past due. As at 30 June 2016, 98.6% (2015: 98.8%) 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 2016 and 2015.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

23 Financial Risk Management (cont'd)

Risk management framework (cont'd)

Credit risk (cont'd)

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

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. No allowance for collective impairment was made based on past experience.

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 risks

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. In addition, the Group strives to maintain available banking facilities at a level commensurate to its debt position.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

23 Financial Risk Management (cont'd)

Risk management framework (cont'd)

Liquidity risks (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 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)**
30 June 2015				
Secured bank loans	5,820	(6,359)	(1,265)	(5,094)
Amounts due to non-controlling interests	1,400	(1,400)	–	(1,400)
Trade and other payables	1,223	(1,223)	(1,223)	–
	8,443	(8,982)	(2,488)	(6,494)
Company				
Non-derivative financials liabilities				
30 June 2016				
Trade and other payables	**11,935**	**(11,935)**	**(11,935)**	**–**
30 June 2015				
Trade and other payables	11,764	(11,764)	(11,764)	–

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

23 Financial Risk Management (cont'd)

Risk management framework (cont'd)

Market risk (cont'd)

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	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Fixed rate instruments				
Fixed bank deposits	**19,227**	20,289	**19,076**	20,138
Variable rate instruments				
Loans and borrowings	**4,740**	5,820	**–**	–

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.

Cash flow sensitivity analysis for variable rate instruments

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss	
	100 bp increase	100 bp decrease
	S$'000	S$'000
Group		
30 June 2016		
Loans and borrowings	**(47)**	**47**
30 June 2015		
Loans and borrowings	(58)	58

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

23 Financial Risk Management (cont'd)

Risk management framework (cont'd)

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 SGD equivalent are as follows:

	Group		Company	
	2016 United States Dollar S$'000	2015 United States Dollar S$'000	2016 United States Dollar S$'000	2015 United States Dollar S$'000
Cash and cash at bank	**862**	281	**846**	265

Sensitivity analysis

A 10% strengthening of the following currencies against the respective functional currencies of the Group entities 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		Company	
	Equity S$'000	Profit or loss S$'000	Equity S$'000	Profit or loss S$'000
30 June 2016				
United States dollar	**–**	**86**	**–**	**85**
30 June 2015				
United States dollar	–	28	–	27

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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 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)	–	(3,300)	–	(3,300)
Amounts due to non-controlling interests (non-trade)	–	–	(1,400)	(1,400)	–	(1,307)	–	(1,307)
Trade and other payables	–	–	(1,028)	(1,028)				
	–	–	(7,168)	(7,168)				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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
Group								
30 June 2015								
Financial assets measured at fair value								
Available-for-sale financial assets	–	2,850	–	2,850	–	2,116	734	2,850
Financial assets not measured at fair value								
Other receivables	377	–	–	377				
Cash and cash at bank	25,491	–	–	25,491				
	25,868	–	–	25,868				
Financial liabilities not measured at fair value								
Loans and borrowings	–	–	(5,820)	(5,820)	–	(4,234)	–	(4,234)
Amounts due to non-controlling interests (non-trade)	–	–	(1,400)	(1,400)	–	(1,290)	–	(1,290)
Trade and other payables	–	–	(1,223)	(1,223)				
	–	–	(8,443)	(8,443)				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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 2016

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 2015								
Financial assets measured at fair value								
Available-for-sale financial assets	–	734	–	734	–	–	734	734
Financial assets not measured at fair value								
Other receivables	14,532	–	–	14,532				
Cash and cash at bank	22,651	–	–	22,651				
	37,183	–	–	37,183				
Financial liabilities not measured at fair value								
Trade and other payables	–	–	(11,764)	(11,764)				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

23 Financial Risk Management (cont'd)

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring level 2 and 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)
Available-for-sale financial assets – investment in unquoted equity securities	Market comparison technique: The valuation model is based on market multiples derived from market prices of companies comparable to the investee adjusted for the effect of size differences and non-marketability of the equity securities	Discount rate	The estimated fair value would increase / (decrease) if the discount rate applied was (lower) / higher

Financial instrument not measured at fair value

Type	Valuation techniques	Significant unobservable inputs
Group and Company		
Other financial liabilities – loans and borrowings, amounts due to non-controlling interests	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 2016

23 Financial Risk Management (cont'd)

Valuation techniques and significant unobservable inputs (cont'd)

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, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

Policy on 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:

	Available-for-sale financial assets	
	Group	**Company**
	$'000	**$'000**
At 1 July 2015	2,850	734
Addition	258	258
Impairment loss on available-for-sale financial assets recognised in profit or loss	(2,116)	–
At 30 June 2016	992	**992**

Available-for-sale financial assets relates to investments in unquoted equity securities in unquoted equity funds. 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.

Sensitivity analysis

For the Group's available-for-sale financial assets, 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$99,000 (2015: S$73,000). An equal change in the opposite direction would have decreased the Group's and the Company's other comprehensive income by the same amount.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

23 Financial Risk Management (cont'd)

Valuation techniques and significant unobservable inputs (cont'd)

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:

	2016 S$'000	2015 S$'000
Total liabilities	**6,140**	7,220
Less: cash and cash at bank	**(22,221)**	(25,491)
Adjusted net cash position*	**(16,081)**	(18,271)
Total equity	**36,550**	40,261
Adjusted net debt to adjusted equity ratio	**N.M.***	N.M.*

* 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.

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 30 June 2016 and 2015.

24 Loss per share

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

	Group	
	2016 S$'000	2015 S$'000
Loss attributable to equity holders of the Company	**(3,918)**	(4,941)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

24 Loss per share (cont'd)

	No. of shares 2016	No. of shares 2015
Weighted average number of ordinary shares ('000)	**2,551,689**	2,551,689
Basic and diluted loss per share (cents)	**(0.15)**	(0.19)

Diluted loss per share is same as basic loss per share as there were no potential dilutive ordinary shares for the financial year ended 30 June 2015 and 2016.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

25 Operating segments (cont'd)

Information about reportable segments

	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 revenue	**1**	**1**	**318**	**320**
Interest expense	**(192)**	**–**	**(5)**	**(197)**
Tax expense	**–**	**–**	**–**	**–**
Reportable segment profit/(loss) for the year	**423**	**(1,512)**	**(2,601)**	**(3,711)**
Other material items:				
Depreciation and amortisation	**1,147**	**140**	**–**	**1,287**
Ship management fees	**52**	**–**	**–**	**52**
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:				
Addition to non-current segment assets during the year	**746**	**809**	**–**	**1,555**
30 June 2015				
Segment revenue				
Revenue from external customers	3,952	–	–	3,952
Interest revenue	–	–	277	277
Interest expense	(155)	–	–	(155)
Tax expense	(176)	–	–	(176)
Reportable segment profit/(loss) for the year	901	(459)	(4,849)	(4,407)
Other material items:				
Depreciation and amortisation	848	25	20	893
Ship management fees	1,906	–	–	1,906
Impairment loss on available-for-sale assets	–	–	4,150	4,150
Reportable segment assets	18,944	4,572	25,968	49,484
Reportable segment liabilities	8,256	167	800	9,223
Other segment information:				
Addition to non-current segment assets during the year	896	3,985	–	4,881

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

25 Operating segments (cont'd)

Geographical segments

The Group's revenue and 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. Therefore, no analysis by geographical region is presented.

Major customers

Revenues from a customer in the vessels chartering segment accounts for approximately $1.87 million (2015: $3.95 million) or 96% (2015: 100%) 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 payment under non-cancellable operating lease receivables is as follows:

	Group	
	2016	**2015**
	S$'000	**S$'000**
Within 1 year	**1,730**	1,699

Non-cancellable operating leases rentals are payable as follows:

	Group	
	2016	**2015**
	S$'000	**S$'000**
Within 1 year	**218**	167
Between 1 and 5 years	**152**	176
	370	343

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

27 Capital commitments

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

	Group	
	2016	**2015**
	S$'000	**S$'000**
Investment in unquoted fund investment committed but not yet called up	**371**	629

28 Related parties

Transactions with key management personnel

Key management personnel compensation comprises:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Short-term employment benefits	**62**	156	**62**	156
Directors' fees	**141**	137	**141**	122
Post-employment benefits	**5**	17	**5**	17
	208	310	**208**	295
Comprise amounts paid/payable to:				
– Directors of the Company	**141**	122	**141**	122
– Directors of subsidiaries	**–**	15	**–**	–
	141	137	**141**	122

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	
	2016	**2015**	**2016**	**2015**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Non-controlling interests				
Vessels chartering income	**916**	1,937	**–**	–
Administrative fee charged by a corporation shareholder	**38**	38	**–**	–
Related corporations				
Sales to related party	**10**	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

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.

Key sources of estimation uncertainty

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 Groups 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2016

30 Comparative information

The financial statements for the year ended 30 June 2015 were audited by another firm of Public Accountants and Chartered Accountants.

The following comparative information were reclassified to conform to current year's presentation:

Software assets that are not an integral component of plant and equipment is reclassified from plant and equipment to intangible assets in the current year.

Interest income from loan and receivables, investment income from available-for-sale financial assets and net foreign exchange gain are reclassified from other income to finance income in the current year to reflect the nature of these transactions.

Fixed deposits with tenor of more than 3 months placed with financial institutions are presented as cash flows in relation to investing activities in the consolidated statement of cash flows.

The financial impact arising from the changes in comparative information are as follows:

	2015 As previously reported $'000	Reclassification $'000	2015 Restated $'000
Consolidated statement of financial position			
Non-current assets			
Plant and equipment	15,943	(115)	15,828
Intangible assets	4,769	115	4,884
Consolidated statement of comprehensive income			
Other income	314	(296)	18
Finance income	–	296	296
Consolidated statement of cash flows			
Cash flows from investing activities			
Cash flows used in investing activities	(5,077)	(20,138)	(25,215)
Cash and cash equivalents in the statement of cash flows	25,340	(20,138)	5,202

STATUS REPORT ON THE USE OF PROCEEDS FROM THE RIGHTS ISSUE

As at 31 August 2016

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 2016, 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, ICP (IP) Pte Ltd.	3,525
Total utilised from 2012 Rights Issue by ICP Ltd as at 31 August 2016.		10,800
Balance of proceeds held as fixed deposit at bank as at 31 August 2016 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 2016, 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 2016 by ICP Ltd pending deployment of funds for the purposes mentioned in the 2014 Rights Issue Circular and Offer Information Statement.		12,310

ANALYSIS OF
ORDINARY SHAREHOLDINGS

As at 15 September 2016

Number of issued and paid up shares	:	2,551,689,122
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	371	1.48	12,528	0.00
100 – 1,000	11,339	45.23	5,317,331	0.21
1,001 – 10,000	6,990	27.89	29,857,415	1.17
10,001 – 1,000,000	6,177	24.64	611,146,313	23.95
1,000,001 and above	190	0.76	1,905,355,535	74.67
	25,067	100.00	2,551,689,122	100.00

LIST OF TWENTY LARGEST SHAREHOLDERS

Name	No. of Shares	%
Phillip Securities Pte Ltd	403,856,732	15.83
CIMB Securities (Singapore) Pte Ltd	383,560,250	15.03
Aw Cheok Huat	163,269,800	6.40
Ng Choon Ngoi @ Ng Choon Ngo	47,603,900	1.87
DBS Nominees Pte Ltd	47,134,205	1.85
Maybank Kim Eng Securities Pte Ltd	42,043,627	1.65
United Overseas Bank Nominees Pte Ltd	36,074,897	1.41
Zaheer K Merchant	35,895,800	1.41
Ong Kok Wah	35,600,000	1.39
Citibank Nominees Singapore Pte Ltd	33,445,544	1.31
Lau Yee Choo	33,200,000	1.30
Yap Chin Kok	30,000,000	1.17
Lim Hoon Min	27,550,000	1.08
Goh Kim Seng	27,348,000	1.07
Raffles Nominees (Pte) Ltd	22,028,000	0.86
Tay Lian Leong	21,000,000	0.82
Wong Kian Yeuan	16,387,600	0.64
Choo Ah Seng	16,247,000	0.64
UOB Kay Hian Pte Ltd	15,238,600	0.60
Ngen Poh Kim Debbie or Ang Chwee Chang	15,019,600	0.59
	1,452,503,555	56.92

ANALYSIS OF ORDINARY SHAREHOLDINGS

As at 15 September 2016

SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders as at 15 September 2016

	Direct Interest		Deemed Interest	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**
Aw Cheok Huat[1]	163,269,800	6.4	546,399,900	21.4
Mercatus Equity Pte. Ltd.[2]	–	–	266,000,000	10.42

Notes:

(1) Mr. Aw Cheok Huat is deemed to have an interest in (a) 280,399,900 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 15 September 2016, approximately 70.8% 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.

(Company Registration No. 196200234E)
(Incorporated in the Republic of Singapore)
(the “Company”)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Amara Singapore Hotel, 165 Tanjong Pagar Road, Ballroom 1, Level 3, Singapore 088539 on Friday, 28 October 2016 at 3.00 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 2016 together with the Auditors’ Report thereon. **Resolution 1**

2. To re-elect Mr. Tan Kok Hiang, who is retiring pursuant to Article 92 of the Company’s Constitution. **Resolution 2**

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

3. To re-elect Mr. Winston Seow Han Chiang, who is retiring pursuant to Article 92 of the Company’s Constitution. **Resolution 3**

   Mr. Winston Seow Han Chiang will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee, and a member of the Audit Committee and Remuneration Committee. Mr. Seow 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$141,000/- for the year ended 30 June 2016 (2015: S$122,000/-). **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, to pass the following resolutions as Ordinary Resolutions:

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 given to the Directors of the Company to issue shares ("Shares") whether by way of rights, bonus or otherwise, and/or make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares at any time and upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit provided that:

(a) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed one hundred percent (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to all shareholders of the Company shall not exceed fifty percent (50%) of the total number of issued Shares (excluding treasury shares) in the capital of the Company;

(b) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (a) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) of the Company as at the date of the passing of this Resolution, after adjusting for:

(i) new Shares arising from the conversion of exercise of convertible securities;

(ii) new Shares arising from exercising Share options or vesting of Share awards outstanding or subsisting at the time this Resolution is passed; and

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

NOTICE OF ANNUAL GENERAL MEETING

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, Cap. 50 and otherwise, the Constitution of the Company; and

(d) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the Company's next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. [See Explanatory Note (i)]

BY ORDER OF THE BOARD

SHIRLEY LIM GUAT HUA
Company Secretary

13 October 2016

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory Notes on Resolutions to be passed:

(i) If passed, will empower the Directors of the Company from the date of this Meeting until the date of the next annual general meeting of the Company, or the date by which the next annual general meeting is required by law to be held or when varied or revoked by the Company at a general meeting, whichever is earlier, to allot and issue Shares and/or convertible securities in the Company (whether by way of rights, bonus or otherwise) at any time. The number of shares that the Directors may allot and issue under this ordinary resolution would not exceed one hundred percent (100%) of the total number of issued Shares in the capital excluding treasury shares, of which up to fifty percent (50%) may be issued other than on a pro-rata basis.

Notes:

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

2. Where a member 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. If the member is a corporation, the instrument appointing the proxy must be executed under seal or the hand of an officer or attorney duly authorised.

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

6. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10 Anson Road, #29-02 International Plaza, Singapore 079903 not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

PERSONAL DATA PRIVACY:

By submitting a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of 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 member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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IMPORTANT:

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than 2 proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF monies to buy shares in ICP Ltd, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their CPF Approved Nominees if they have any queries regarding their appointment as proxies.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notes to this Proxy Form.

ICP LTD.

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

PROXY FORM

ANNUAL GENERAL MEETING

I/We, ______________________________ NRIC/Passport/Co. Reg. No. __________

of ____ (Address)

being a member/members of ICP Ltd. (the "Company") hereby appoint:

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

and/or (delete as appropriate)

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

as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at Amara Singapore Hotel, 165 Tanjong Pagar Road, Ballroom 1, Level 3, Singapore 088539 on Friday, 28 October 2016 at 3.00 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 direction as to voting is 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 discretion.

No.	Resolutions relating to:	Number of Votes For[(1)]	Number of Votes Against[(1)]
	Ordinary Business		
1.	Adoption of Directors' Statement and Audited Financial Statements for the year ended 30 June 2016 together with the Auditors' Report		
2.	Re-election of Mr. Tan Kok Hiang as a Director		
3.	Re-election of Mr. Winston Seow Han Chiang as a Director		
4.	Approval of Directors' fees amounting to S$141,000/- for the year ended 30 June 2016		
5.	Re-appointment of Messrs KPMG LLP as Auditors of the Company		
	Special Business		
6.	Approval for Authority to Allot and Issue Shares		

* *Delete where inapplicable*

(1) *If you wish to exercise all your votes "For" or "Against", please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this ________ day of ____________ 2016

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

____
Signature(s)/Common Seal of Member(s)

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholdings concerned to be represented by each proxy shall be specified in the form of proxy.

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

   (i) 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.

   (ii) 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

   (iii) 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."

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

4. Where a member appoints more than one proxy, the member must specify the proportion of shareholdings to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100% of the shareholdings of his/her appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 10 Anson Road, #29-02 International Plaza, Singapore 079903 not less than 48 hours before the time appointed for the Annual General Meeting.

6. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General 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 to the Annual General Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company 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 Annual General 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 member accepts and agrees to the personal data privacy terms as set out in the Notice of Annual General Meeting dated 13 October 2016.

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INVESTMENT CAPITAL PARTNERS

ICP LTD.

ANNUAL REPORT FY2016

COMPANY REGISTRATION NO: 196200234E

10 ANSON ROAD, #29-02 INTERNATIONAL PLAZA, SINGAPORE 079903
T: +65 6747 1616 | F: +65 6741 3525