INVESTMENT CAPITAL PARTNERS

2019 ANNUAL REPORT


Travelodge

CONTENTS

The contact person for the Sponsor is:
Name: Mr. Nathaniel C.V., Registered Professional, RHT Capital Pte. Ltd.
Address: 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619
Tel: 6381 6757

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS

On behalf of the Board of Directors of ICP Ltd. (the "**Company**" and, together with its subsidiaries, the "**Group**"), I am pleased to present to you the Annual Report for the financial year ended 30 June 2019.

FINANCIAL PERFORMANCE

The Group reported a loss after taxation of S$2.1 million for the financial year ended 30 June 2019 ("**FY2019**") as compared to the loss of S$3.0 million for the financial year ended 30 June 2018 ("**FY2018**"). The Group has 3 main operating subsidiaries, namely Travelodge Hotels (Asia) Pte Ltd ("**TLA**"), Midscale Hotel Investment ("**Midscale**") and ICP Marine Group. The loss after taxation was mainly attributable to the performance of the hospitality segment comprising of Midscale and TLA. The Group acquired the Geo Hotel in Kuala Lumpur ("**Geo Hotel**") in FY2018 under Midscale, and the hotel underwent extensive renovation works over a substantial part of the financial year. As the decision of not completely closing the hotel was made, certain expenditures incurred could not be capitalised and these were expensed off in the current financial year resulting in a loss. The hotel has since been returned to full operational status, and rebranded as Travelodge City Centre ("**TLCC**") post completion of the renovation.

The Group reported a 42% increase in revenue to S$4.5 million, compared to S$3.2 million in FY2018, on the back of 4 new hotel management contracts secured in FY2019. Moving forward, the Group will benefit from its investment in building a strong hotel operating platform as any incremental revenue for new hotel management agreements will require a less than proportionate increase in expenses.

Revenue and costs from ICP Marine Group (the vessel chartering segment) in FY2019 remained consistent with the revenue earned in FY2018 at S$1.8 million.

MAJOR DEVELOPMENTS

In FY2019, the Group achieved significant progress in developing its hospitality business under the Travelodge brand.

As discussed above, the Group announced the opening of 4 new hotels during the financial year, namely Travelodge Bukit Bintang (8 August 2018), Travelodge Dongdaemun (1 December 2018), Travelodge Georgetown Penang (1 January 2019) and Travelodge Myeongdong Euljiro (21 June 2019). This has increased the Group's portfolio from 6 in FY2018 to 10 in FY2019.

After the financial year, the Group has also secured 2 management contracts to manage a 319-room hotel in Singapore which was rebranded as Travelodge Harbourfront Singapore on 8 August 2019 and another hotel in Malaysia which is expected to be rebranded in Q1 of 2020. This brings our total portfolio to 12 hotels. Located strategically at the gateway of Sentosa and opposite VivoCity, Singapore's largest shopping mall, Travelodge Harbourfront Singapore with 319 rooms is in the perfect location for savvy travellers looking to maximise their stay in sunny Singapore.

BUSINESS OUTLOOK

For the next 6 to 12 months, the Group expects revenue and earnings from the vessel chartering segment to be relatively stable in line with expected prevailing industry market conditions.

The Group expects to report higher contribution from the hospitality segment in the next 6 to 12 months driven by the continued expansion of the Travelodge brand across Asia. The Group is adopting an asset-light strategy to expand its hotel business under the Travelodge Brand. Save for the investment in Travelodge Central Market, the Group's focus is on third-party hotel management and there are no plans currently to enter into capital intensive acquisitions. This option is being monitored by the Board. The Group will continue to work on various opportunities with third party hotel owners to expand the Travelodge brand in the region

CHAIRMAN'S STATEMENT

especially in Hong Kong, Singapore, Malaysia, Indonesia, Vietnam, Japan, and South Korea by capitalising on its brand, infrastructure, operating system and the core team based primarily in Singapore.

The Group observes a high standard of corporate conduct, integral to ensuring business sustainability and safeguarding the interest of our stakeholders. The Group wants to strengthen its sustainability, by further integrating sustainability into the Group's DNA and business processes. The Group will step up its efforts in this respect as it works towards long-term goals.

DIVIDENDS

The Group has spent the last few years building and successfully creating the systems and foundation for a scalable and integrated Asian hospitality platform for the future. This investment is necessary to put the Group on a strong footing going forward. Naturally this had adverse effect on short term profitability and regretfully the Board is not recommending a dividend for FY2019.

APPRECIATION

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

I would like to personally thank my fellow directors and the management team for their dedicated work in helping build up the hospitality division successfully over the last several years. The Group is in a very good and strong position to capitalise on its brand, infrastructure and reputation moving forward. They can justifiably be proud of what has been achieved. On this note, I would like to inform the shareholders that their Company is in good hands and it would be appropriate for me now to step down and hand over the reins to a young, capable and professional team.

AW CHEOK HUAT
Non-Executive Chairman
20 September 2019

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

The Group reported revenue of S$4.5 million in the financial year ended 30 June 2019 ("**FY2019**") as compared to S$3.2 million in the financial year ended 30 June 2018 ("**FY2018**"), an increase of 42% or S$1.3 million. The increase was mainly due to higher sales recorded by the hospitality division. Revenue from the vessel chartering segment in FY2019 remains consistent with the revenue earned in FY2018 at S$1.8 million.

Cost of sales increased by 20% from S$1.5 million in FY2018 to S$1.8 million in FY2019 mainly due to the inclusion of operational expenses incurred in Travelodge City Centre (formerly known as Geo Hotel), in which the Group acquired in FY2018 and completed its renovation in FY2019.

Following the higher revenue and cost of sales mentioned above, the Group's gross profit increased by 60% or S$1.0 million in FY2019.

Administrative expenses decreased by 0.3%, and was relatively unchanged at S$4.3 million in FY2019, compared to FY2018.

Finance income decreased by S$0.1 million, mainly due to lower bank balances during the financial year.

Finance costs decreased by S$0.1 million, mainly due to the full repayment of the bank loans over the Group's vessels during the financial year.

As a result of the above, the Group reported a smaller loss before tax of S$2.0 million in FY2019 as compared to a loss before tax of S$3.0 million in FY2018.

Non-current assets
Non-current assets increased by S$4.1 million, mainly due to the S$3.7 million increase in property, plant and equipment, acquisition of intangible assets of S$0.3 million and an increase in other receivables of S$0.2 million.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

During the year, additions of property, plant and equipment amounting to S$6.3 million (comprise mainly of building and renovation of Travelodge City Centre of S$4.9 million) were partially offset by effects of movements in foreign exchange rates of S$1.0 million and depreciation of S$1.5 million charged during the year.

Current assets
Current assets decreased by S$2.0 million, mainly due to a decrease in trade and other receivables of S$0.8 million and cash and cash equivalents of S$1.2 million. Advances made for the renovation of Travelodge City Centre previously included in trade and other receivables were capitalized as property, plant and equipment in FY2019.

Non-current liabilities
Non-current liabilities decreased by S$18.0 million, due mainly to a reclassification of bank borrowings from non-current to current liabilities. This was due to a subsidiary of the Group not having met one of the bank financial covenants. This financial covenant requires the maintenance of a debt service coverage ratio of minimum 1.2 times. The subsidiary was not able to observe this financial covenant as the hotel was undergoing extensive refurbishment for 8 months during the financial year. The bank is aware of the refurbishment and has given a waiver from this compliance of the financial covenant for these borrowings subsequent to the year end.

These borrowings have been reclassified from non-current liabilities to current liabilities as at 30 June 2019 in accordance with requirements of Singapore Financial Reporting Standards (International) 1-1.

Current liabilities
Current liabilities increased by S$18.8 million, mainly due to the reclassification of non-current liabilities of S$18.3 million to current liabilities (see note on non-current liabilities above), and advance from non-controlling interests of S$0.5 million. The Board is of the view that in light of the receipt of the bank waiver, there is no significant impact on the cash flow and operations of the Group and as such, the going concern basis of the Group is not affected.

Equity
Overall, the Group's total equity increased by S$1.3 million mainly arising from the issuance of shares of S$3.9 million and offset by total comprehensive loss of S$2.6 million during the year.

Cash Flows
The Group's cash and cash at bank was S$3.4 million as at 30 June 2019.

Net cash used in operating activities decreased from S$2.5 million in FY2018 to S$0.8 million in FY2019. This was mainly due to the decrease in operating loss of S$0.9 million as a result of an increase in revenue from the hospitality segment and the deposit paid for renovation in FY2018 being used to offset the cost of renovation.

Net cash used in investing activities decreased from S$15.5 million in FY2018 to S$5.6 million in FY2019 as the acquisition of property, plant and equipment incurred by the Group's hospitality segment was completed in FY2018.

Net cash generated from financing activities decreased from S$18.3 million in FY2018 to S$5.3 million in FY2019. This was mainly due to the net proceeds received from loans and borrowings and non-controlling interests amounting to S$13.7 million and S$4.6 million, respectively, in FY2018.

Performance Breakdown
The performance of the Group's business segments (after inter-segment adjustments) in FY2019 was as follows:

(i) Hospitality – represents the management of hotels, hotel ownership and licensing of the Travelodge hotel brand

Loss from the hospitality segment decreased by 19% or S$0.3 million, mainly due to the increase in revenue following the additions of 4 new hotels under the Group's management in FY2019.

(ii) Vessel chartering – represents investments in, and chartering of ships

The revenue and earnings from the vessel chartering segment in FY2019 were comparable with the revenue and earnings reported in FY2018.

(iii) Investment holding – representing investment and management activities

Loss from the investment holding segment decreased by 7%, or S$0.1 million, due mainly to the fair value loss on the financial asset.

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 and was last re-elected on 30 October 2017. He is the Chairman of the Board of Directors.

Mr. Aw's background is in mergers and acquisitions, IPOs, RTO and corporate restructuring. In addition, he has some 25 years of experience in the hospitality industry. Presently, Mr. Aw is also the Non-Executive Chairman of Datapulse Technology Limited.

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

MR. TAN KOK HIANG
Lead 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 his position as Non-Executive Chairman on 19 December 2012 and remains on Board as the Chairman of the Audit Committee and a Member of the Nominating Committee and Remuneration Committee. Mr. Tan has been appointed as the Lead Independent Director with effect from 20 November 2014. He was last re-elected as the Director on 24 October 2018.

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

Mr. Tan has more than 30 years of experience in accounting, finance, strategic planning, business development and risk management. Presently, Mr. Tan also sits on the Board of 3 other public listed companies, namely Enviro-Hub Holdings Ltd, LHT Holdings Ltd and Transit-Mixed Concrete Ltd.

MR. KOH TIEN GUI
Independent
Non-Executive Director

Mr. Koh Tien Gui was appointed to the Board as an Independent Non-Executive Director on 5 November 2018. He was also appointed as the Chairman of the Nominating Committee and is a Member of the Audit Committee and Remuneration Committee.

Mr. Koh has over 20 years of corporate and commercial experience. He has developed expertise in the property sector and has represented clients on hotel projects across South East Asia, China and Japan. In addition to hotel operators, he advises developers and owners of mixed use/hotel developments on management agreements as well as branded residences, sale and lease back schemes and condotels. This includes negotiating hotel management and franchise agreements, leasing agreements, and real-property acquisitions, evaluating corporate organisation formalities, providing on-site consulting related to hotel operations and compliance issues. He has also worked on numerous transactional mergers and acquisition for clients across South East Asia and has broad experience in advising clients on strategic alliance, restructuring and reorganization, divestures and post-acquisition integration.

Mr. Koh holds a Bachelor of Laws (Honours) degree from University of Kent at Canterbury.

BOARD OF DIRECTORS

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 and was last re-elected on 30 October 2017. He was also appointed as the Chairman of the Remuneration Committee and is a Member of Audit Committee and Nominating Committee.

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

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

MR. AW MING-YAO MARCUS
Executive Director

Mr. Aw Ming-Yao Marcus was appointed as Executive Director on 5 November 2018, having served as Director and Vice President – Finance & Development of Travelodge Hotels (Asia) Pte. Ltd from July 2016.

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 of Laws (Honours) degree from the London School of Economics and Political Science, and is a graduate of the Association of Chartered Certified Accountants.

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

MANAGEMENT

MR. NG YEOW CHONG
General Manager, Marine

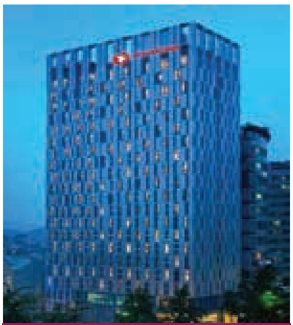
Mr. Ng Yeow Chong is the General Manager of GMT Bravo Pte. Ltd. and GMT Charlie Pte. Ltd. He has more than 25 years of experience in the marine industry, from agency to chartering and shipping, overseeing operations, business development and sales.

MS. ONG MIN'ER
Financial Controller

Ms. Ong Min'er is the Financial Controller of ICP Ltd., responsible for all the financial and accounting functions of the Company and the Group. She joined Travelodge Hotels (Asia) Pte Ltd on 7 August 2017 and was subsequently promoted to Financial Controller of ICP Ltd on 17 May 2019. Ms. Ong has more than 10 years of experience in the hospitality industry. She holds a Bachelor of Accountancy degree from Nanyang Technological University and is a Chartered Accountant of Singapore.

TRAVELODGE FOOTPRINT IN ASIA AS OF TODAY:
6 COUNTRIES, 11 HOTELS, 2,198 ROOMS…

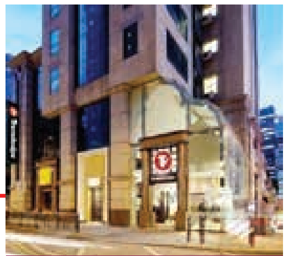
Travelodge Pattaya
164 rooms



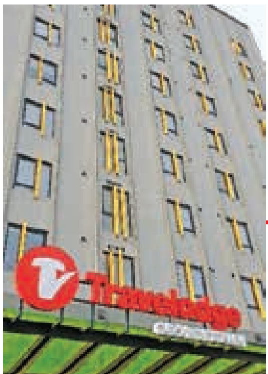
Travelodge Dongdaemun
Seoul
242 rooms

Travelodge Myeongdong Euljiro
Seoul
224 rooms

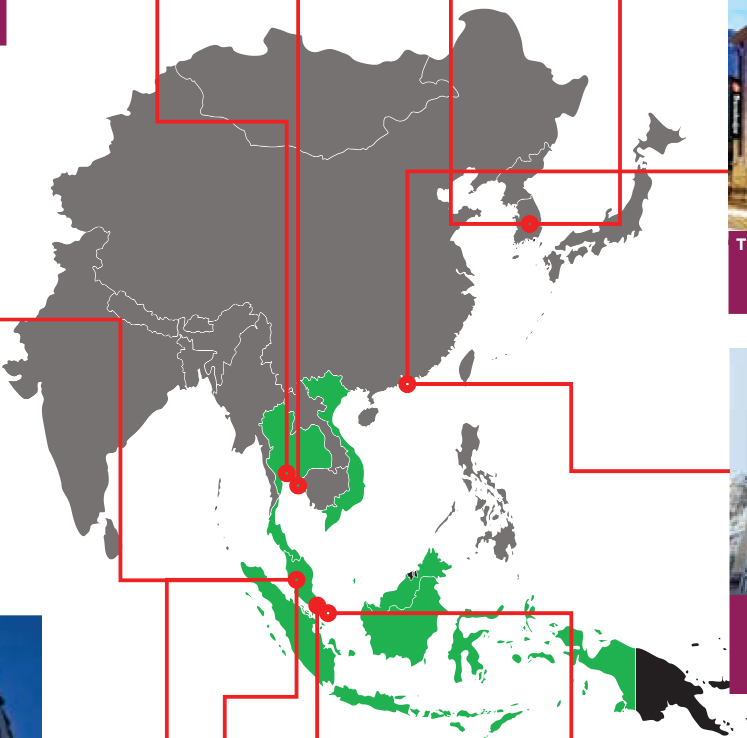
Travelodge Sukhumvit 11
Bangkok
224 rooms



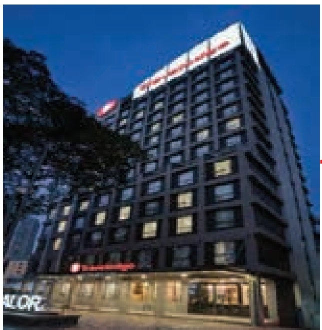
Travelodge Central Hollywood Rd
Hong Kong
148 rooms



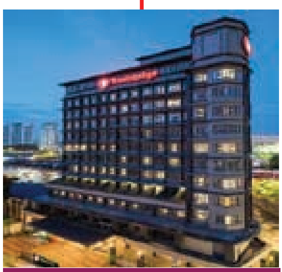
Travelodge Georgetown
Penang
131 rooms



Travelodge Kowloon
Hong Kong
126 rooms



Travelodge Bukit Bintang
Kuala Lumpur
168 rooms

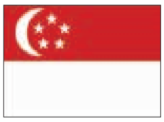


Travelodge Central Market
Kuala Lumpur
198 rooms

Travelodge Harbourfront
Singapore
319 rooms

Travelodge Batam
Indonesia
254 rooms

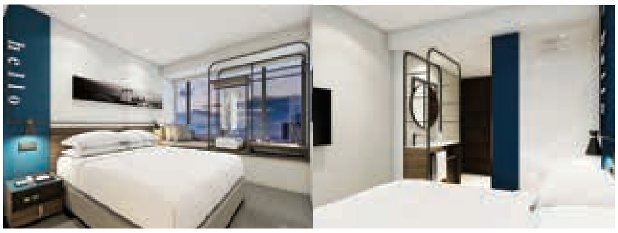
EXPANDING THE TRAVELODGE BRAND ACROSS KEY CITIES IN ASIA



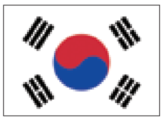
Singapore

Travelodge Harbourfront
(319 rooms)

We launched our first hotel in Singapore with Travelodge Harbourfront, the largest hotel in the Travelodge Asia portfolio with 319 rooms. Situated mere minutes' away from Sentosa, one of Singapore's best-known tourist attractions, and directly opposite VivoCity, Singapore's largest shopping mall, Travelodge Harbourfront is ideally located for leisure guests. A short drive away from Singapore's central business district and various commercial hubs, the hotel is equally suited for business travellers.



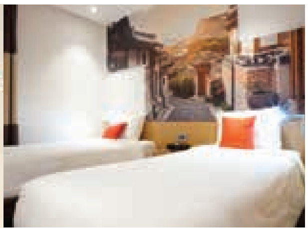
EXPANDING THE TRAVELODGE BRAND ACROSS KEY CITIES IN ASIA

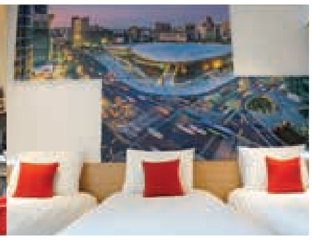


Seoul
South Korea

Travelodge Dongdaemun (242 rooms)

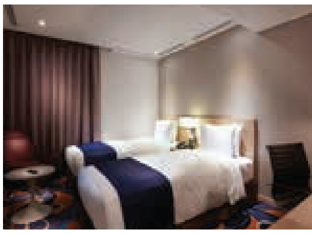
Travelodge Dongdaemun marked our entry into South Korea. Situated in Seoul's city central Jung district, the hotel has 242 rooms and is only a ten-minute walk from local iconic destinations, such as the Dongdaemun Design Plaza, the Dongdaemun Market and the Gwangjang Market. The hotel's ideal location is one of its most outstanding features, giving plenty of options to business and leisure guests travelling to Seoul.

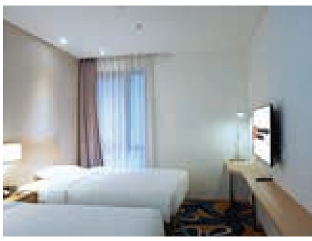
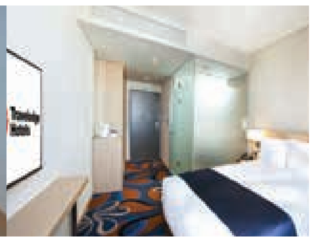





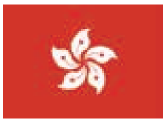
Travelodge Myeongdong Euljiro (224 rooms)

Our second hotel in Seoul, Travelodge Myeongdong Euljiro is located in the bustling Myeongdong district. Five major local attractions are just ten minutes from the hotel by foot, including the Myeongdong Shopping Street, the Gyeongbokgung Palace, the Myeongdong Cathedral, the Gwangjang market and the Cheongyecheon Stream, giving our guests easy access to awe-inspiring history, scenic sights and mouth-watering street food.

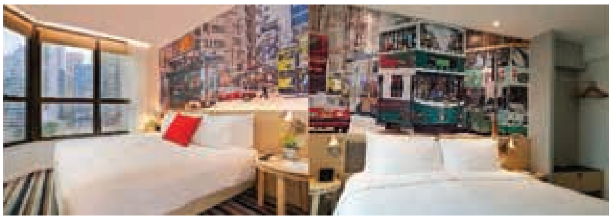
EXPANDING THE TRAVELODGE BRAND ACROSS KEY CITIES IN ASIA



Hong Kong

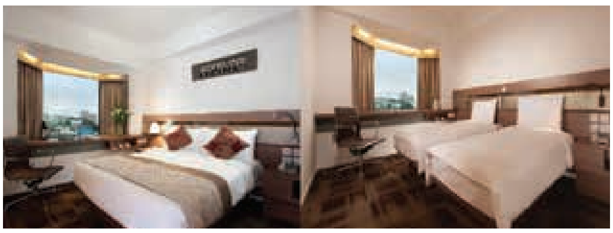
Travelodge Central Hollywood Road (148 rooms)

Situated along Hollywood Road in Hong Kong's prime Central district, Travelodge Central Hollywood Road is right at the heart of Hong Kong Island's commercial and political centre. Business guests will enjoy the proximity to the central business district, while leisure guests will find heritage trails, iconic local food and cultural sites at the hotel's doorstep.

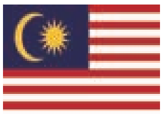


Travelodge Kowloon (126 rooms)

Located on Kowloon's bustling Nathan Road, Travelodge Kowloon is within walking distance to Hong Kong's famed Temple Street Night Market, Jade Market, Mong Kok Ladies' Market and the Kowloon Park. With the subway station a mere 400 metres away, Travelodge Kowloon allows convenient access to Hong Kong Island and is a perfect location for guests to experience Hong Kong from 'the other side'.



EXPANDING THE TRAVELODGE BRAND ACROSS KEY CITIES IN ASIA



Kuala Lumpur
Malaysia

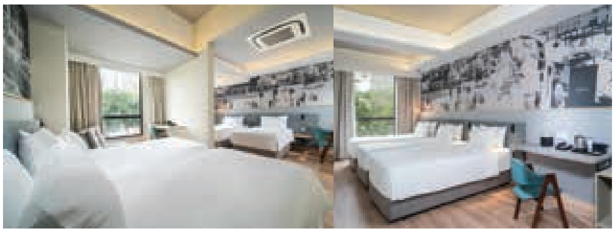
Travelodge City Centre (198 rooms)

Located at the vibrant Chinatown area of Kuala Lumpur, Travelodge City Centre is a short walk away from the iconic Central Market and the bustling Petaling Street – a haven for food lovers and keen shoppers – making the hotel an ideal location for leisure guests or business travellers wanting to mix work and play.

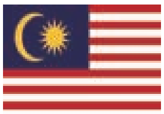


Travelodge Bukit Bintang (168 rooms)

Travelodge Bukit Bintang is situated at the heart of Kuala Lumpur's shopping and entertainment district, famed for its vibrant night life and restaurant scene. Located 300 metres from the Bukit Bintang Monorail Station, the hotel is also in close proximity to popular shopping destinations such as the Sungei Wang Plaza and Berjaya Times Square, making it the ideal hotel for travellers wanting to get the most out of KL.



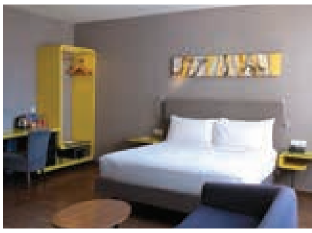

EXPANDING THE TRAVELODGE BRAND ACROSS KEY CITIES IN ASIA

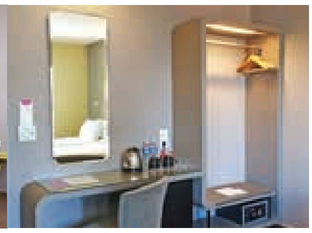


**Penang
Malaysia**

**Travelodge Georgetown
(131 rooms)**

Travelodge Georgetown is ideally located for both business and leisure travellers, with easy access to Penang International Airport and in close proximity to iconic culinary and cultural sites, including Georgetown, where the oldest portion of the city centre has been designated as a UNESCO World Heritage site since 2008. Georgetown is one of the most visited cities in Malaysia, and Travelodge Georgetown is well-positioned to capture both international and domestic tourists.



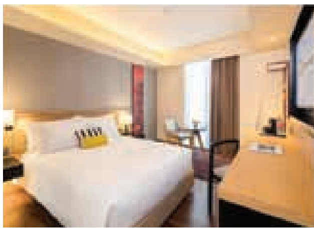
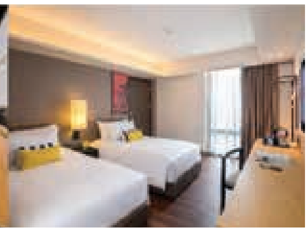


EXPANDING THE TRAVELODGE BRAND ACROSS KEY CITIES IN ASIA

Thailand

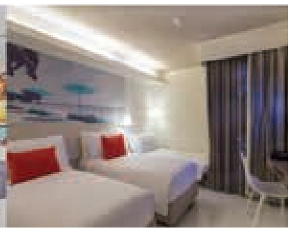
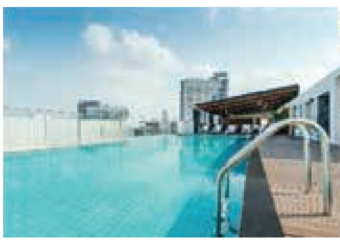
Travelodge Sukhumvit 11 Bangkok (224 rooms)

One of the rare new-built Travelodge hotels, Travelodge Sukhumvit 11 is located in one of Bangkok's most popular and vibrant streets, renowned for its lively atmosphere and exciting night life. Within walking distance to a wide selection of restaurants, trendy bars and shopping malls, and in close proximity to public transport options, this hotel is positioned strategically at the heart of one of Asia's gateway cities.

Travelodge Pattaya (164 rooms)

This hotel is situated in Central Pattaya, one of the city's most popular locales, where guests will enjoy easy access to all that the lively city of Pattaya has to offer. Located very close to the city's beach, dining and entertainment districts, Travelodge Pattaya is a short walk to Pattaya Beach, Walking Street and Pattaya Floating Market, effectively catering to Pattaya's predominantly leisure market.

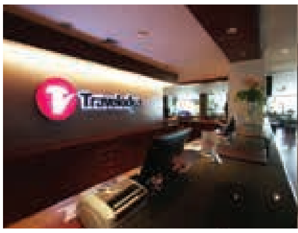




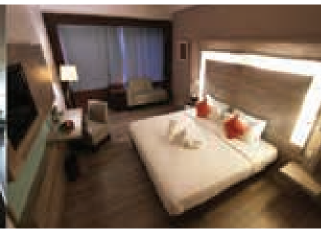

EXPANDING THE TRAVELODGE BRAND ACROSS KEY CITIES IN ASIA

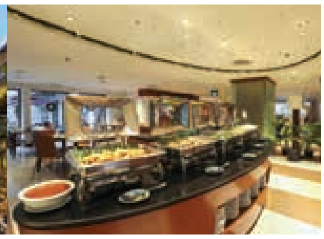
Indonesia

Travelodge Batam
(254 rooms)

Located in Batam's commercial hub, the hotel is in a prime location with many shopping sites, spa centres and eateries nearby. Easily accessible by the airport and Batam Centre Ferry Terminal, the hotel is a convenient place to rest for travellers looking to explore Batam's many tourist attractions, including a thriving street food scene.







EXPANDING THE TRAVELODGE BRAND ACROSS KEY CITIES IN ASIA

TRAVELODGE DEVELOPMENT PIPELINE

Country	Brand	Location	Rooms	Status as at 31 August 2019
Thailand	Travelodge	Chiang Mai	85	Signed MOU
Thailand	Travelodge	Bangkok	85	Signed MOU
Thailand	Travelodge	Phuket	150	Management Agreement signed. Target to open in 2020
Thailand	Travelodge	Jomtien	150	Management Agreement signed. Target to open in 2020
Vietnam	Skye by Travelodge	Nha Trang	2,500	Management Agreement signed. Target to open in 2021

MOU = Memorandum of Understanding

CONTINUING WITH OUR CORE EXPERTISE

SHIPPING

The team is led by Ng Yeow Chong who is the General Manager of GMT Bravo Pte. Ltd. and GMT Charlie Pte. Ltd. since August 2018. He has more than 25 years of experience in marine industry, from agency to chartering and shipping, overseeing operations, business development and sales.

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

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

SUSTAINABILITY REPORT

Year ended 30 June 2019

INTRODUCTION

Board Statement

The Board of Directors of ICP Ltd. and its subsidiaries (the "**Group**") is pleased to present the Sustainability Report ("**Report**") for FY2019.

We have prepared this Report in accordance with SGX-ST Catalist Rules (711A and 711B) and Practice Note 7F Sustainability Reporting Guide, with reference drawn from the Global Reporting Initiative ("**GRI**") standards (core option). The GRI Content Index is found at the end of this report.

This Report aims to communicate our sustainability efforts in a clear and concise manner. Following our inaugural Sustainability Report issued last year, we have continued to re-assess the materiality of the various Environmental, Economic, Social, and Governance ("**ESG**") factors identified and calibrated our current practices relating to non-financial aspects of the Group's operations. The Board is committed to deliver sustainable growth and has embedded sustainability into our strategic objectives and operations.

Prospectively, we look to raise our efforts and the standards of good practices with the knowledge that this is a long-term pledge that will enable us to create a more sustainable environment for future generations. We will also work towards seeking external assurance for our Report, as our reporting matures.

Contact us

We welcome feedback from our stakeholders on our sustainability efforts. Please send your comments and suggestions to ong.miner@icp.com.sg.

SUSTAINABILITY REPORT

Year ended 30 June 2019

About ICP Ltd

ICP Ltd is listed on Singapore Exchange Securities Trading Limited and our corporate headquarters is located in Singapore.

Our three key business platforms are:

Hospitality

The Group owns the globally recognised Travelodge hotel brand in Asia and currently, manages and franchises hotels in Malaysia, Hong Kong, Thailand, Indonesia, Singapore and Korea.

The Group targets to expand the Travelodge brand to other countries in Asia, such as Vietnam and Japan.

Vessel Ownership & Chartering

Through subsidiaries, GMT Bravo Pte Ltd and GMT Charlie Pte Ltd, the Group owns and charters two Singapore flagged petroleum product tankers.

Investments Holdings

Investment in quoted and/or unquoted securities including debentures, stocks, shares and units in any fund or collective investment scheme.

At present, the key focus of our Sustainability Report is on our hospitality business. In subsequent years, the Group may decide to broaden the scope to include other business segments of the organisation.

Travelodge Hotels

The brand is currently being embraced by hotel owners in key gateway destinations under both management and franchise arrangements

Travelodge Hotels (Asia) Pte Ltd (“TLA”)

TLA

Franchise: Provide access to the Travelodge Asia distribution platform and sales and marketing support while the owner takes care of the hotel’s operations

Management: Manages the day to day operations of the hotel on behalf of the owners

Country Master Franchise: Local hotel management company or hotel investor is awarded right to operate and manage hotels under all of the Travelodge brands in a specific country.

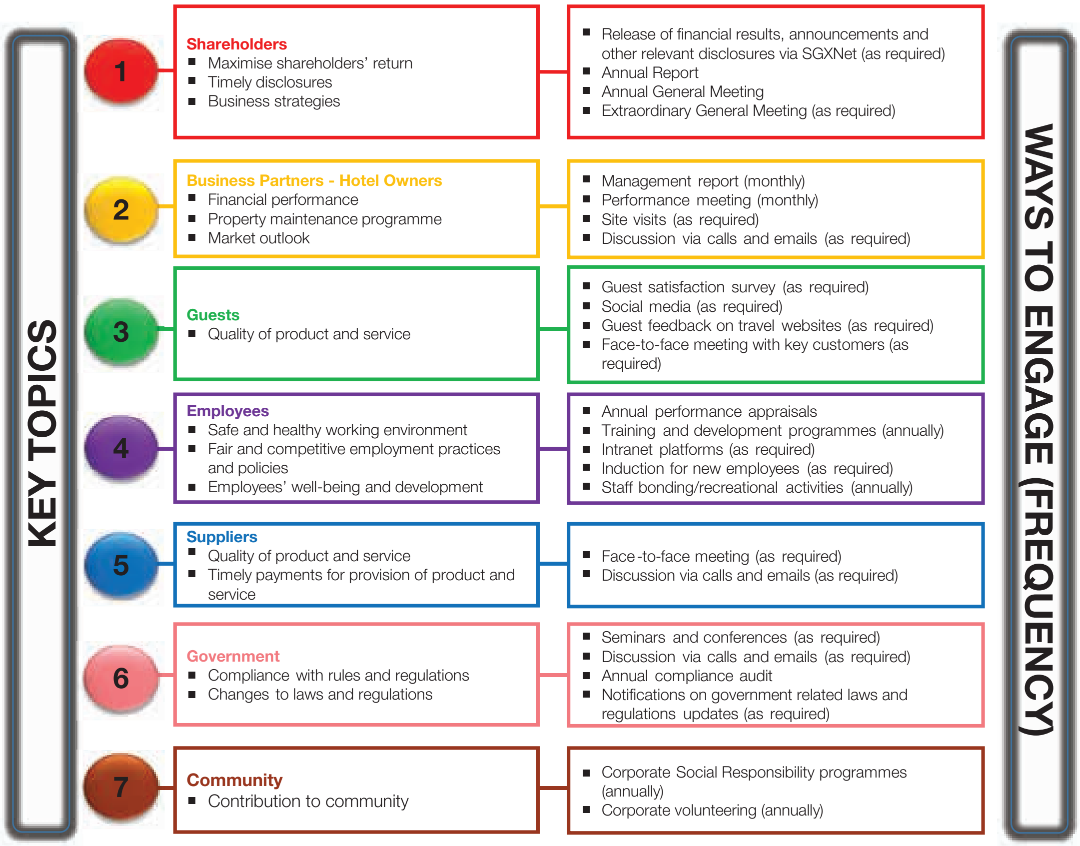
SUSTAINABILITY REPORT

Year ended 30 June 2019

Engaging Stakeholders

Our key stakeholders play crucial roles in our business. We want to build a lasting and mutually beneficial relationship with our key stakeholders and have been engaging them through various platforms as illustrated in *Figure 1*. By establishing a two-way communication channel with our key stakeholders, we seek a deeper understanding of their concerns and a stronger connection with them, so as to address the concerns as we work towards creating sustainable value for them.

Figure 1 – Key Stakeholders Engagement



SUSTAINABILITY REPORT

Year ended 30 June 2019

Defining Material Issues

The Group continues to assess and review sustainability matters based on the identified material ESG factors. In order to re-assess the materiality of these factors, the Group used questionnaires to prioritise the key ESG factors. We further engaged in dialogue sessions with the Board/Senior Management to seek their concurrence on the identification of key ESG factors.

We have cautiously evaluated and classified the following as our material ESG factors (illustrated in *Figure 2*) as we continuously strive towards sustainability in addressing the material issues:

Figure 2 – Material ESG Factors

During the year, there has been a significant expansion in our hotel business. We have elevated our sustainability efforts by inaugurating energy and water efficiency, and waste and resource management initiatives into our Waste Management Policy as discussed in in the Social and Environment section of the Report. Our prioritisation of other material ESG factors remains unchanged as there are no significant changes in our business operating environment.

SUSTAINABILITY REPORT

Year ended 30 June 2019

Strategies and Targets

We present our strategies and targets in retrospect with our prior-year targets:

Figure 3 – Strategies and Targets

ESG Factors	Prior year targets	Present year targets	Present year strategies
Product and service excellence	Conduct regular brand audit to ensure hotels are compliant with system-wide operating and service standards. In the long run, we envisage to engage external assurance to measure guest experience, satisfaction and loyalty.	Improve and achieve the highest guest satisfaction rating among industry peers. Engage external assurance in conducting annual brand audits. Engage external assurance in conducting annual operational compliance audits.	Ensure guest satisfaction on quality of service standards by adopting our own Guest Management System, which allow us to track and trace our customer's satisfaction and highlight to us the potential complaints via monthly performance meeting.
Investment management	Strengthen foothold in existing markets such as Hong Kong, Malaysia, Thailand, Indonesia, and Vietnam, and penetrate new markets such as Singapore, Korea, and Japan.	Establish and grow presence in key markets such as Singapore, Malaysia, Hong Kong, Korea, Japan, Thailand and Indonesia.	Maintain focus on growing the hospitality business by pursuing an asset-light strategy, driven by franchise agreements and management contracts.
Waste and resource management **Energy and water efficiencies**	Currently developing waste management policy that will be subject to annual review. Measure current energy and water consumption level after initiatives are implemented.	Develop waste management policy that will be subject to annual review. Monitor water and energy utilisation measurements for identifying potential wastage and inefficiencies. Raise awareness on the importance of being environmentally friendly.	Reduce paper consumption by storing data on cloud. Replace existing operating bulbs and taps with energy and water conserving appliances to measure consumption levels. Conduct quarterly sharing sessions with staff to educate them on saving the environment. Place door hangers in toilets within the hotel room to remind guests not to waste water.

SUSTAINABILITY REPORT

Year ended 30 June 2019

<table>
<tr><th>ESG Factors</th><th>Prior year targets</th><th>Present year targets</th><th>Present year strategies</th></tr>
<tr><td>Occupational Health and Safety</td><td>Achieve and maintain zero-accident in workplace through regular trainings and emergency drills conducted.</td><td>Maintain zero-accident in workplace through regular trainings and emergency drills conducted.</td><td>Ensure that hotel staff are familiar with the fire safety guidelines that are prepared in accordance to the respective country’s workplace health and safety regulation.</td></tr>
<tr><td>Career Development</td><td>Improve and maintain competency of employees and provide objective performance evaluations.</td><td>Formalise a training roadmap to guide our employees to desired standards.

Develop an e-Training platform to allow employees to access learning materials on the go.</td><td>Provide employees with training and development opportunities through attending relevant courses and seminars.

Conduct annual performance reviews with employees.</td></tr>
<tr><td>Workforce Diversity</td><td>Maintain a diverse workforce to better enhance business performance with diverse experience and knowledge shared by employees from different walks of life.</td><td>Maintain a diverse workforce to better enhance business performance with diverse experience and knowledge shared by employees from different walks of life.</td><td>Create a workplace that encompasses different gender, race and ethnic groups.</td></tr>
<tr><td>Corporate Governance</td><td rowspan="2">Maintain continuous compliance with the mandatory listing requirement on board composition and the code of corporate governance 2012.

Communicate regulary with shareholders to update on the business outlooks, operations and developments.

Establish a comprehensive framework to assess individual hotel’s level of compliance.</td><td rowspan="2">Maintain continuous compliance with the mandatory listing requirement on board composition and the code of corporate governance 2012.

Communicate regularly with shareholders to update on the business outlooks, operations and developments.

Establish a comprehensive framework to assess individual hotel’s level of compliance.</td><td rowspan="2">Ensure diversity in Board composition and governance.

Keep shareholders updated on the corporate actions through AGM, EGM, Annual Report, announcement and disclosures via SGXNet.</td></tr>
<tr><td>Policies and Practices</td></tr>
</table>

SUSTAINABILITY REPORT

Year ended 30 June 2019

Risk and Opportunities

Assessment and evaluation of the Group's risks and opportunities across our non-financial aspect of our operations remained as our top priority. We address our key risks and opportunities together with its corresponding approaches below (illustrated in *Figure 4*):

Figure 4 – Risk and Opportunities

	Risk	Opportunities	Approach
Economic	Ability to keep up with fast changing trends on customers' preference and behaviour.	Foster long term relationship with customers and business partners . Achieve quality output; efficiency and uniformity of service performance.	▪ We aim to conduct brand audit in short to mid term and engage external assurance in the long run to enhance our service quality . We aim to establish and grow presence in key markets such as Singapore, Malaysia, Hong Kong, Korea, Japan, Thailand and Indonesia via asset-light strategy.
Environmental	Non-compliant with regulatory requirement resulting to fines and penalties/ business disruption.	▪ Green hotels (use of energy efficient / environmental friendly hotel fittings).	▪ We endeavour to draft a waste management policy and conduct regular trainings for employees on environmental awareness to better care for our environment . ▪ We strive to reduce paper usage by storing data on cloud. ▪ We implement door hangers in toilets within the hotel room to remind guest not to waste water.
Social	Individuals' safety in jeopardy due to employee's negligence.	▪ Values employees' well -being. ▪ Expose employees to different cultures and experience. ▪ Retain key employees by sending them for career development courses.	▪ We aim to create a safe working environment where we can maintain zero -accident in our workplace. We want to broaden our skill base and communication skills through workforce diversification and career development courses.
Governance	Financial losses as a result of business disruption, loss of privacy, reputational damage and legal implications.	▪ Trusted and long -term partnerships with stakeholders. ▪ Foster stakeholders' trust to higher levels by ensuring that all employees adhere to Policy and Practices.	▪ We aim to build up an extensive framework to assess our hotel's level of compliance. ▪ We strive to maintain compliance with the revised code of corporate governance 2018 and diversity in board composition and governance. ▪ We maintain constant shareholders' communication through AGM, ▪ EGM, Annual Report, announcement and disclosures via SGXNet. We ensure our hotels comply with SOPs in place.

ECONOMIC

Investment Management

The Group is a member of the Singapore Business Federation ("SBF"). Through SBF, the Group hopes to tap into even more valuable business opportunities.

The Group continues to focus on growing our hospitality business based on our asset-light strategy which is driven by franchise agreements and management contracts. This approach reduces the concentration risk of our capital and allows for the diversification of our capital into potential and untapped portfolios to maximise our shareholders' value.

SINGAPORE BUSINESS FEDERATION
Apex Business Chamber

SUSTAINABILITY REPORT

Year ended 30 June 2019

The Group's current strategy is to establish and increase our foothold in key regional markets such as Singapore, Malaysia, Hong Kong, South Korea, Japan and Vietnam. In 2019, we have successfully secured four management contracts, of which two are in South Korea and two are in Malaysia. In addition, we have rolled out our plans of expansion, starting off by securing a management contract in Singapore for 2020.

Product & Service Excellence

ICP Ltd defines product & service excellence as delivering beyond expectations to provide better value and pleasant experience for our guests. In order to achieve this, the Group ensures that the employees comprehend and follow closely our distinctive Service Standard Guidelines. These Guidelines define the procedures that guide our staff to respond to the needs of our valued guests with vigilance, and service consistency and excellence. With an expanded hotel management portfolio, we plan to conduct brand audits annually to strengthen our brand perception and target to engage an external assurance party to conduct operational audits in the long run.

The Group went an extra mile to improve the customer satisfaction and experience with our very own Guest Management System, "TravelodgeR". Guests who sign up to be a member on the TravelodgeR programme can enjoy discounts at all Travelodge Hotels in Asia. This system was introduced to encourage loyalty among guests to return to our hotels and to attain first hand feedback from our members on how to enhance their experience with Travelodge.

We have installed a survey tool using "Revinate" in all our hotels to collect guests' ratings, experience and feedback. With the use of this data solution system, we are able to capture all online review and social media mentions from TripAdvisor and Google. The Group then reviews the collated data on a weekly basis to track guests' satisfaction and to provide timely responses to negative reviews. The collated data let us keep track of guest satisfaction and online reviews. These allow us to work with each hotel to respond timely to guests and areas of concern. As at reporting date, we remain in the top 25% of hotels rankings in our key regional markets. (Illustrated in *Figure 5*)

SUSTAINABILITY REPORT

Year ended 30 June 2019

Figure 5 – Travelodge Ranking (as at 30 June 2019)

Regional Market	Ranking (%)
Travelodge Bukit Bintang (Malaysia)	22
Travelodge Sukhumvit (Thailand)	16
Travelodge Central Hollywood (Hong Kong)	17
Travelodge Batam (Indonesia)	2

These initiatives deepen our understanding of expectations, including what they need from us when they stay in our hotels, the factors considered when booking their stay, and equally important, what they do not want during their stay with us. Moving forward, we aim to further evaluate on how we can improve on our brand positioning and service delivery through data capture and data analytics as this will be the key to driving future business.

ENVIRONMENTAL

As we expand our global footprint, we are also mindful of the impact of our carbon footprint. The Group strives to provide our guests with the desired experience while minimising any adverse impact on the environment. Our "going-green" initiatives do not only cut cost in a long run, but also attract travellers who seek eco-friendly places to stay.

WASTE AND RESOURCE MANAGEMENT

We stay committed to our plan to formulate a Waste Management Policy for specific guidance and to raise awareness for the preservation of the environment. We believe waste management has to be built into our operations in order to promote it to our guests as well. We have implemented environmental sustainability practices in our daily operations such as reducing paper wastage by transposing to online data storage. To encourage waste and resource management to our guests, we have introduced subtle measures such as installing "door hangers" inside the room and toilets to remind guests to conserve water.

SUSTAINABILITY REPORT

Year ended 30 June 2019

Energy and Water Efficiency

Improving energy and water efficiency is a key goal of the Group, as we play our part in combating climate change. In the reporting year, we kick-started initiatives to measure energy consumption of our hotels. We have also replaced our lightbulbs and taps into energy and water conserving appliances to reduce consumption levels.

SOCIAL

Human interaction remains the crux of hospitality. Our staff's ability to provide guests with timely assistance and warm, friendly service is built on having a safe and conducive working environment.

Occupational Health and Safety

We are committed to engendering a progressive and widespread culture to enhance employees' safety and health. Our Fire Life Safety Guidelines are adapted from the Singapaore Workplace Health and Safety Act and cover all our staff across the hotels in our portfolio. To heighten employees' vigilance, workplace safety trainings, fire drills and maintenance are conducted regularly. The guidelines are reviewed regularly and revised whenever required. As at reporting date, there are zero accident reports indicating work-related injuries and ill health.

SUSTAINABILITY REPORT
Year ended 30 June 2019

Career Development

We believe in providing equal opportunities to all our staff to help them reach their fullest potential. We are in the midst of developing an e-Training platform for our employees to access learning material on-the-go and allow them to be updated on the changes in our standards. Our ultimate goal is to formulate a training roadmap to guide our employee towards our desired standards through well-structured training activities.

In the reporting year, all employees received annual performance appraisal to review their job performance and overall contribution to the Group. These appraisals aid in identifying competencies and shortfalls, which will be utilised to adjust current training programmes to obtain the best performance from each of our employees.

Figure 6 – Gender Diversity

Workforce Diversity

We strive to provide a conducive environment that allows staff of varying age, ethnicity, gender, religion and cultural background to work together to cohesively achieve a common goal. (Illustrated in *Figure 6*)

CORPORATE GOVERNANCE

In addition to our efforts disclosed in our Corporate Governance report, the Group targets to appoint a Committee involving Senior Management Executives, led by the Executive Director of Travelodge Hotels Asia, who will assist the Board in ensuring constructive amalgamation of the Group's operational initiatives to address sustainability issues.

The main contact person for this Sustainability Report is the Group's Financial Controller, Ms. Ong Min'er.

Information Privacy

Given the nature of the hotel business, we deal with highly confidential personal data and information of stakeholders on a daily basis. In the face of increasing threats to data security and information technology, it is crucial for the Group to safeguard data and our information systems from cyber threats. The Group ensures full compliance with the Personal Data Protection Act 2012 and local data protection and privacy laws in our country of operations.

Whistle-blowing Policy

The Group has zero tolerance to corrupt practices that tarnish our image in the industry. To maintain the best employment practices and the highest standards of openness, accountability and corporate governance, our internal control system includes a whistle-blowing policy which enables individuals to voice concerns over malpractice and wrongdoing within the Group. To promote responsible and secure whistle-blowing, we have multiple channels such as email, surface mail and telephone available for any person internal or external to the Group.

SUSTAINABILITY REPORT

Year ended 30 June 2019

Business Continuity Plan

Our Business Continuity Plan ("BCP") is designed to facilitate the recovery of our business operations and functions arising from potential threats that may impact our business operations. This framework allows us to build organisational resilience and possess the capability be able to effectively manage and prevent any crisis to safeguard our stakeholders and assets.

As the scale, timing, and impact of disasters and disruptions are unpredictable, our BCP has been designed to be flexible in responding to actual events as they occur. In terms of business disruption events such as unable to receive bookings and missing of records, the Group has adequate resources required for recovery, allowing for a full operational recovery within 2 hours.

Our BCP are regularly reviewed and conducting BCP exercises prepares the organisation to be resilient and ever ready.

Standard Operating Procedure

We have policies and guidelines such as the Service Standard Guideline and the Employee Handbook, designed to sculpt our employee's ability to deliver results consistently and meet the expectations of our stakeholder guests and stakeholders. In addition, there are Standard Operating Procedures ("SOP") to help ensure that the hotels comply with the system-wide standards. The Group seeks to develop a more comprehensive framework in assessing the individual hotel's level of compliance to align with the Group's policies and procedures.

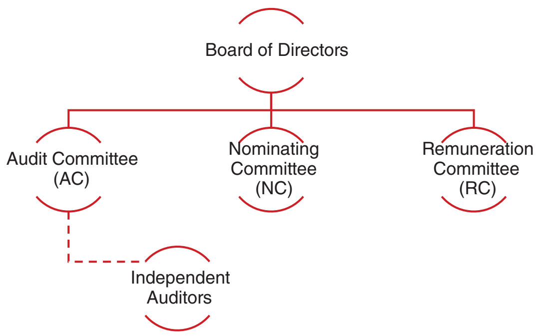
Shareholders

The Group is mindful of the importance of effective communication with our shareholders. During the regular Annual General Meetings, Extraordinary General Meetings and investor relations meetings, shareholders are encouraged to raise questions and concerns to interact directly with the board and management. We also have a Company website for communication with our shareholders (www.icp.com.sg).

Board of Directors

The Board is ultimately responsible for the long-term success and sustainability of the Group and also in providing guidance on the material ESG factors that impact the Group's activities. The Board holds formal meetings twice a year or convenes ad-hoc meetings when circumstances require. They conduct at least twice a year of regular scheduled meetings and any additional or ad-hoc meetings, when deemed necessary, to address significant matters that may arise.

The Board of Directors comprises three Independent Directors, an Executive Director and a Non-independent Director/Chairman. The Chairman specialises in mergers and acquisitions, corporate restructuring and hotel ownership and management. The 3 independent directors are experienced in accounting, finance, strategic planning, business development, risk management, hospitality, law and shipping. In the reporting year, the Group welcomes aboard Mr. Koh Tien Gui, as an Independent Non-executive Director. For more information, please refer to page 6 of the annual report.



SUSTAINABILITY REPORT

Year ended 30 June 2019

GRI CONTENT INDEX

APPENDIX 1: UNIVERSAL STANDARDS

GRI No.	Description	References
GENERAL DISCLOSURES		
Organisational profile		
102-1	Name of the organisation	Pg. 19
102-2	Activities, brands, products, and services	Pg. 20
102-3	Location of headquarters	Pg. 20
102-4	Location of operations	Pg. 20
102-5	Ownership and legal form	Pg. 20
102-6	Markets served	Pg. 20
102-7	Scale of the organisation	Pg. 20
102-8	Information on employees and other workers	Pg. 28
102-9	Supply chain	Pg. 21
102-10	Significant changes to the organisation and its supply chain	Pg. 22
102-11	Precautionary Principle or approach	Pg. 29 to 30
102-12	External initiatives	Pg. 29 to 30
102-13	Membership of associations	Pg. 25
Strategy		
102-14	Statement from senior decision-maker	Pg. 19
Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	Pg. 29 to 30
Governance		
102-18	Governance structure	Pg. 30
Stakeholder engagement		
102-40	List of stakeholder groups	Pg. 21
102-41	Collective bargaining agreements	N/A – No Collective Bargaining Agreement
102-42	Identifying and selecting stakeholders	Pg. 21
102-43	Approach to stakeholder engagement	Pg. 21
102-44	Key topics and concerns raised	Pg. 21
Reporting practice		
102-45	Entities included in the consolidated financial statements	2019 Annual Report
102-46	Defining report content and topic Boundaries	Pg. 22

SUSTAINABILITY REPORT

Year ended 30 June 2019

GRI No.	Description	References
102-47	List of material topics	Pg. 22
102-48	Restatements of information	N/A
102-49	Changes in reporting	N/A
102-50	Reporting period	2019 Annual Report
102-51	Date of most recent report	2018 Annual Report
102-52	Reporting cycle	Pg. 19
102-53	Contact point for questions regarding the report	Pg. 29
102-54	Claims of reporting in accordance with the GRI Standards	Pg. 19
102-55	GRI content index	Pg. 31 to 32
102-56	External assurance	Pg. 19
MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its Boundary	Pg. 22
103-2	The management approach and its components	Pg. 24
103-3	Evaluation of the management approach	Pg. 24

APPENDIX 2: SPECIFIC STANDARDS

GRI No.	Description	References
	ENVIRONMENTAL	
Energy 2016		
302-4	Reduction of energy consumption	Pg. 27 to 28
Water and Effluents 2018		
303-5	Water consumption	Pg. 28
	SOCIAL	
Occupational Health and Safety		
403-1	Occupational health and safety management system	Pg. 28 to 29
403-5	Worker training on occupational health and safety	Pg. 28 to 29
403-8	Workers covered by an occupational health and safety management system	Pg. 28 to 29
403-9	Work-related injuries	Pg. 28 to 29
403-10	Work-related ill health	Pg. 28 to 29
Training and Education		
404-3	Percentage of employees receiving regular performance and career development reviews	Pg. 28 to 29

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

Mr. Tan Kok Hiang
Lead Independent Director

Mr. Aw Ming-Yao Marcus
Executive Director

Mr. Ong Kok Wah
Independent Director

Mr. Koh Tien Gui
Independent Director

AUDIT COMMITTEE

Mr. Tan Kok Hiang
Chairman

Mr. Ong Kok Wah
Mr. Koh Tien Gui

NOMINATING COMMITTEE

Mr. Koh Tien Gui
Chairman

Mr. Tan Kok Hiang
Mr. Ong Kok Wah

REMUNERATION COMMITTEE

Mr. Ong Kok Wah
Chairman

Mr. Tan Kok Hiang
Mr. Koh Tien Gui

COMPANY SECRETARY

Ms. Shirley Lim Guat Hua

REGISTERED OFFICE

10 Anson Road, #28-16
International Plaza
Singapore 079903
Tel: 6221 4665

INDEPENDENT AUDITOR

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

Partner in charge: **Mr. Chin Bo Wui**
Date of appointment: Since financial year 2018

PRINCIPAL BANKERS

DBS Bank

United Overseas Bank Limited

SHARE REGISTRAR

B.A.C.S. Private Limited
8 Robinson Road, #08-00
ASO Building
Singapore 048544

CONTINUING SPONSOR

RHT Capital Pte. Ltd.
9 Raffles Place
#29-01 Republic Plaza Tower 1
Singapore 048619

REPORT ON CORPORATE GOVERNANCE

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

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

BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1: Effective Board to lead and control the company

The Company is led by a Board of Directors who collectively possess the skills, experience, insights and sound judgement, to further serve 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 shareholders’ value. Its role is in:

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

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

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

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

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

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

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

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

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

(a) Audit Committee (“**AC**”)

(b) Nominating Committee (“**NC**”)

(c) Remuneration Committee (“**RC**”)

REPORT ON CORPORATE GOVERNANCE

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

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

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

The number of Board and Board committee meetings held during the financial year ended 30 June 2019 ("**FY2019**"), as well as the attendance of each Director at these meetings is set out below:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	2	2	1	1
Board members	**No. of meetings attended**			
Mr. Aw Cheok Huat	2	2(1)	1(1)	1(1)
Mr. Tan Kok Hiang	2	2	1	1
Mr. Aw Ming-Yao Marcus(2)	1	1(1)	–	–
Mr. Ong Kok Wah	2	2	1	1
Mr. Koh Tien Gui(2)	1	1	–	–

(1) Attended by invitation.
(2) Appointed on 5 November 2018.

Specific matters which requires Board's approval include:

(a) financial results announcements;

(b) interim dividend payments and proposal of final dividend;

(c) major funding, material acquisitions, investments, disposals and divestments; and

(d) any other transactions of a material nature.

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

REPORT ON CORPORATE GOVERNANCE

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

Directors are regularly updated on relevant new laws, regulations and changing commercial risks. They are encouraged to attend trainings or seminars that are useful and relevant to them in discharging their duties at Company's expense.

BOARD COMPOSITION AND GUIDANCE

Principle 2: Independent element on the Board

The current Board comprises 5 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. Aw Ming-Yao Marcus	*Executive Director*
Mr. Tan Kok Hiang	*Lead Independent Director*
Mr. Koh Tien Gui	*Independent Director*
Mr. Ong Kok Wah	*Independent Director*

The NC makes recommendations to the Board on the appointments of Directors to the Board, 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.

For FY2019, the NC has reviewed the declaration of independence provided by each Director and has confirmed the independence of the Independent Directors in accordance with the Code.

As of the end of FY2019, none of the Independent Directors has served on the Board for more than 9 years since the date of their first appointment.

The Non-Executive Director and the Independent Directors participate actively during Board meetings, in particular, ensuring that the strategies proposed by 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.

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 pages 6 and 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 Company is an investment holding company. Its core business lies in the activities of its wholly-owned subsidiary, Travelodge Hotels (Asia) Pte. Ltd. ("**TLA**"), and 51%-owned subsidiaries, GMT Bravo Pte. Ltd. and GMT Charlie Pte. Ltd. (collectively "**GMT**"). TLA is managed by the Group's Executive Director Mr. Aw Ming-Yao Marcus, while GMT is managed by the Group's General Manager of Marine, Mr. Ng Yeow Chong. The Board currently believes there is no necessity to appoint a CEO to manage the Company's business.

Mr. Aw Cheok Huat will be retiring from the Board at the forthcoming AGM, and will not be seeking re-election. Pending the appointment of a new Chairman, the Board is of the view that there are sufficient safeguards and checks to ensure that the decision making process of the Board is independent and based on the collective decisions of the Directors, without any individual exercising any considerable concentration of power or influence.

The Chairman is responsible for:

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

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

REPORT ON CORPORATE GOVERNANCE

BOARD MEMBERSHIP/BOARD PERFORMANCE

Principle 4: Formal and transparent process for appointment and re-appointment of 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. Koh Tien Gui	*Chairman, Independent Director*
Mr. Tan Kok Hiang	*Member, Lead Independent Director*
Mr. Ong Kok Wah	*Member, Independent Director*

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 and Board Committees as a whole.

The process for the selection and appointment of new Board members is as follows:

(a) the NC evaluates the balance of skill, knowledge and experience of the Board and, in light of such evaluation and in consultation with the Board, prepares a description of the role and the essential and desirable competencies for a particular appointment;

(b) the NC may engage consultants to undertake research on, or assess, candidates for new position on the Board;

(c) the NC meets with shortlisted candidate(s) to assess their suitability and to ensure that the candidate(s) are aware of the expectations; and

(d) the NC makes recommendations to the Board for approval.

Regulation 109 of the Company's Constitution provides that an election of Directors shall take place each year. All Directors shall retire from office at least once every three years but shall be eligible for re-election. Accordingly, the NC reviews and makes recommendations to the Board the re-election of eligible Director(s) at annual general meetings ("**AGM**").

Regulation 91 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 (if any). A Director so appointed shall retire from office at the close of the next annual general meeting, but shall be eligible for re-election.

REPORT ON CORPORATE GOVERNANCE

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.

Each NC member shall abstain from voting on any resolution in respect of the assessment of his own performance or re-nomination as a Director.

For the financial year under review, Mr. Aw Cheok Huat will retire in accordance with Regulation 109 of the Company's Constitution. Mr. Aw Ming-Yao Marcus and Mr. Koh Tien Gui will retire in accordance with Regulation 91 of the Company's Constitution.

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

For FY2019, the NC has performed the duties as required under its Terms of Reference. In particular, the NC has assessed the contribution of each individual Director to the effectiveness of the Board and is of the view that each Director had adequately carried out his duties and contributed effectively to the Board.

The NC has recommended to the Board that Mr. Aw Ming-Yao Marcus and Mr. Koh Tien Gui be nominated for re-election 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 has noted that Mr. Aw Cheok Huat would not be seeking for re-election at the forthcoming AGM.

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.

REPORT ON CORPORATE GOVERNANCE

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 furnished 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, Lead Independent Director*
Mr. Koh Tien Gui	*Member, Independent Director*

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

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

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

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

Each of the Executive Directors and key management personnel has an employment contract with the Company which can be terminated by either party giving notice of resignation or termination. Each appointment is on an ongoing basis or with a specified term, and no onerous or over-generous renewal clauses are contained in the letter of employment.

REPORT ON CORPORATE GOVERNANCE

Principle 8: Level and mix of remuneration

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

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

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

The Company's performance share plan known as ICP Performance Share Plan was adopted at its Extraordinary General Meeting held on 30 October 2017. The Company also has a remuneration framework in place which is designed to support the implementation of the Group's strategy and enhance shareholder's value.

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

Principle 9: Disclosure on remuneration

Remuneration of Executive Director

Details of the remuneration of Executive Director for FY2019 are set out below:

	Remuneration[(1)] %	Provident Fund[(2)] %	Total %
Remuneration Band Between S$250,000 to S$500,000			
Aw Ming-Yao Marcus (appointed on 5 November 2018)	94.50	5.50	100

(1) Remuneration refers to base salary and variable bonus earned for the financial year ended 30 June 2019.
(2) Provident fund represents payments in respect of company statutory contributions to the Singapore Central Provident Fund.

Remuneration of Non-Executive Directors

The Non-Executive Directors receive directors' fees, in accordance with their contributions, effort and time spent for serving the Board and Board Committees. For FY2019, directors' fees of S$113,761 are recommended by the Board and are subject to the approval of shareholders at the forthcoming AGM. The Non-Executive Directors are not entitled to other remuneration apart from Directors' fees.

REPORT ON CORPORATE GOVERNANCE

The directors' fees for Non-Executive Directors for FY2019 are set out below:

Director	Directors' Fees (S$)
Mr. Aw Cheok Huat	37,000
Mr. Tan Kok Hiang	32,000
Mr. Ong Kok Wah	28,000
Mr. Koh Tien Gui[1]	16,761
	113,761

1 Director's fees for Mr Koh is pro-rated

Remuneration of Key Management Personnel

The breakdown of the remuneration (in percentage terms) of the top five key management personnel for the financial year ended 30 June 2019 is set out in the table below.

Name	Remuneration[(1)] (%)	Provident Fund[(2)] (%)	Total Cash & Benefits[(3)] (%)
Remuneration Band Below S$250,000			
Stephen James Burt (resigned on 15 April 2019)	100	0.00	100
Ooi Wyn Yan (resigned on 17 May 2019)	96.28	3.72	100
Ong Min'er (appointed on 17 May 2019)	90.00	10.00	100

Notes:

(1) Remuneration refers to base salary and variable bonus earned for the financial year ended 30 June 2019.

(2) Provident fund represents payments in respect of company statutory contributions to the Singapore Central Provident Fund.

(3) Total cash & benefits is the sum of fixed remuneration, variable bonus, provident fund and benefits for the financial year ended 30 June 2019.

Due to confidentiality reasons, the Company shall not fully disclose the remuneration of the executive director and the top five key management personnel on a named basis. Instead, the remuneration paid to the executive director and the top five key management personnel for the financial year shall be presented in bands of S$250,000.

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

Mr. Aw Ming-Yao Marcus is the son of Mr. Aw Cheok Huat. Mr. Aw Cheok Huat and Mr. Aw Ming-Yao Marcus are both eligible to participate in the ICP Performance Share Plan.

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

REPORT ON CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

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

The Company releases its half-year financial results within 45 days from the end of the half year, and its full-year financial results within 60 days from the financial year end, on a timely basis.

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

The Board also furnishes timely information and ensures disclosure of material information to shareholders via SGXNET. The Company has procured Appendix 7H (Form of Undertaking with regard to Directors and Executive Officers) pursuant to Rule 720(1) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") from all the directors and Executive Officer of the Company.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: Sound system of risk management and internal control

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 Executive Director and the Financial Controller:

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

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

Based on the internal controls established and maintained by the Group, work performed by the external auditors and internal auditors, and reviews performed by the Management, the Audit Committee and the Board are of the opinion that the Group's internal controls, including financial, operational, compliance, and information technology controls and risk management system were adequate and effective for the financial year ended 2019.

REPORT ON CORPORATE GOVERNANCE

AUDIT COMMITTEE

Principle 12: Establishment of audit committee with written terms of reference

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

Mr. Tan Kok Hiang	*Chairman, Lead Independent Director*
Mr. Ong Kok Wah	*Member, Independent Director*
Mr. Koh Tien Gui	*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) assesses 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.

During the financial year, the Company's external auditors were invited to attend the AC meetings twice to present their audit plan and report to the AC respectively while the internal auditors was invited to attend the AC meeting once to present their internal audit report. The AC meets with external auditors and the internal auditors separately without the presence of Management annually.

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 reviews the scope and results of the external audit and also assessed 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 audit.

REPORT ON CORPORATE GOVERNANCE

The aggregate amount of fees paid or payable to the external auditors for the financial year ended 30 June 2019 was as follows:

Audit fees	S$144,800
Non-audit fees	Nil

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

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

The AC has put in place a whistle blowing policy which enables employees to report incidents of malpractice or financial misfeasance directly to the AC Chairman without 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 provide 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.

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC.

The Group has complied with Rules 712 and 715 of the Rules of Catalist of SGX-ST in the appointment of its auditors.

The Company's existing auditors, KPMG LLP, has been auditors of the Group since the financial year ended 30 June 2016. The Directors are of the view that a change of auditors would be a good corporate governance practice as it would enable the Company to benefit from fresh perspectives. Therefore, the Directors are of the opinion that it would be in the interest of the Company to consider a rotation in the present auditors of the Company. The AC had recommended, and the Board had approved the nomination to appoint Deloitte and Touche LLP as the Company's external auditor for the financial year ending 30 June 2020 subject to the approval of shareholders.

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

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

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

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

REPORT ON CORPORATE GOVERNANCE

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 are usually present at general meetings to address shareholders' queries.

The Constitution of the Company allows a member (other than a relevant intermediary as defined in section 181 of the Companies Act) to appoint up to two (2) proxies to attend and vote at its general meetings. The Companies Act allows relevant intermediaries who include CPF agent banks nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF agent banks' proxies.

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

The Board does not have a fixed dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit, growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth, general business condition and other factors the Board may deem appropriate. No dividend is declared for FY2019 in order to conserve and build capital. Any dividend payout is clearly communicated to shareholders in public announcements and via announcements on SGXNet when the Company discloses its financial results.

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

The proceedings of the general meeting are 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.

REPORT ON CORPORATE GOVERNANCE

DEALINGS IN COMPANY'S SECURITIES

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

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

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

INTERESTED PERSON TRANSACTIONS

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

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

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

MATERIAL CONTRACTS

The Group confirms that there were no material contracts or loans entered into between the Company or any of its subsidiaries, involving the interests of any Director or controlling shareholder, which are either still subsisting at the end of FY2019 or if not then subsisting, entered into since the end of the previous financial year.

CATALIST SPONSORS

There were no non-sponsor fees paid to the Company's Sponsor, RHT Capital Pte. Ltd. for FY2019.

REPORT ON CORPORATE GOVERNANCE

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F TO THE CATALIST RULES.

Pursuant to Rule 720 (5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating to Mr. Aw Ming-Yao Marcus and Mr. Koh Tien Gui, being the directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM is set out below:

Name of Director	Aw Ming-Yao Marcus	Koh Tien Gui
Date of Initial Appointment	5 November 2018	5 November 2018
Date of last re-appointment (if applicable)	NA	NA
Age	33	51
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process).	The re-election of Mr. Aw Ming-Yao Marcus ("Mr. Marcus Aw") as the Executive Director of the Company was recommended by the NC and the Board had accepted the recommendation after taking into consideration Mr. Marcus Aw's qualification, past experiences and overall contributions since he was appointed as the Director of the Company	The re-election of Mr. Koh Tien Gui ("Mr. Koh") as the Independent Director of the Company was recommended by the NC and the Board had accepted the recommendation after taking into consideration Mr. Koh's qualification, past experiences and overall contributions since he was appointed as the Director of the Company
Whether appointment is executive, and if so, the area of responsibility	Executive. He is responsible for the strategy, management and the development of the Group's hospitality segment.	Non-Executive
Job Title	Executive Director	Independent Director, Chairman of the Nominating Committee, and a member of the Audit Committee and Remuneration Committee.
Familial relationship with any director and / or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes. Son of Mr. Aw Cheok Huat, the Non-Independent, Non-Executive Chairman and substantial shareholder of the Company	NIL
Conflicts of interests (including any competing business)	No	No

REPORT ON CORPORATE GOVERNANCE

Name of Director	Aw Ming-Yao Marcus	Koh Tien Gui
Professional Qualifications	Bachelor of Laws (Honours) Degree	Bachelor of Laws (Honours) Degree
Working experience and occupation(s) during the past 10 years	Jul 16 – present Travelodge Hotels (Asia) Pte Ltd – Director and Vice President – Finance and Development Jul 14 – Jul 16 MS Corporate Finance Pte Ltd – Associate Director, Finance Jan 13 – Jul 14 Everstone Capital – Associate, Private Equity Jul 10 – Apr 12 Goldman Sachs – Analyst, Corporate Finance	Jun 2018 – Present Bryan Cave Leighton Paisner – Partner, Mergers and Acquisitions Apr 2013 – Mar 2018 Rajah & Tann LLP – Partner, Mergers and Acquisitions Dec 2011 – Mar 2013 Ryan Lawyers – Practice Director Jun 2008 – Mar 2011 Jumeirah International LLC – Vice President, Senior Regional Counsel, Asia Pacific and Company Secretary
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorship	<u>Past:</u> BBC Properties Pte. Ltd. <u>Present:</u> Travelodge Hotels (Asia) Pte. Ltd. Midscale Hotel Investments Pte. Ltd. MHI MY 1 Pte. Ltd. MHI HK 1 Pte. Ltd. MHI SG 1 Pte. Ltd. Silver Asia Holdings Pte. Ltd. Leader Fortune holdings Limited Harwick Limited New Tweak Limited Robust Century Limited Travelodge (Thailand) Co., Ltd. Geo Hotel Sdn. Bhd.	<u>Past:</u> Ryan Capital Advisors Asia Pte. Ltd. Rajah & Tann Singapore LLP <u>Present:</u> The Hacienda Entertainment Pte. Ltd. Roadhouse Ventures Pte. Ltd. ACG East Asia Pte. Ltd. RS Hospitality Private Limited
Shareholding interest in the listed issuer and its subsidiaries	Yes	No

REPORT ON CORPORATE GOVERNANCE

Name of Director	Aw Ming-Yao Marcus	Koh Tien Gui
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

REPORT ON CORPORATE GOVERNANCE

Name of Director	Aw Ming-Yao Marcus	Koh Tien Gui
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

REPORT ON CORPORATE GOVERNANCE

Name of Director	Aw Ming-Yao Marcus	Koh Tien Gui
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iii) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

REPORT ON CORPORATE GOVERNANCE

Name of Director	Aw Ming-Yao Marcus	Koh Tien Gui
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director Only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please provide details of any training undertaken in the roles and responsibilities of a director of a listed Company.	Yes as he is a current director of the company.	Yes as he is a current director of the company.

DIRECTORS' STATEMENT

Year ended 30 June 2019

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 2019.

In our opinion:

(a) the financial statements set out on pages 66 to 157 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 2019 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 (International); and

(b) at the date of this statement, having regard to the matters referred to in Note 2.2 to the financial statements, 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
Aw Ming-Yao Marcus	Executive Director (appointed on 5 November 2018)
Tan Kok Hiang	Lead Independent and Non-Executive Director
Koh Tien Gui	Independent and Non-Executive Director (appointed on 5 November 2018)
Ong Kok Wah	Independent and Non-Executive Director

Directors' interests

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

	Direct interests			Deemed interests		
Name of directors	**At 1.7.2018**	**At 30.6.2019**	**At 21.7.2019**	**At 1.7.2018**	**At 30.6.2019**	**At 21.7.2019**
The Company						
Ordinary shares ('000)						
Aw Cheok Huat	163,270	–	–	576,973[(i)]	647,628[(i)]	647,628[(i)]
Aw Ming-Yao Marcus	–	–	–	–	100,000[(ii)]	100,000[(ii)]
Ong Kok Wah	35,600	35,600	35,600	–	–	–
Tan Kok Hiang	800	800	800	–	–	–

(i) Mr. Aw Cheok Huat is deemed to have an interest registered in the name of The Hong Kong and Shanghai Banking Corporation Limited – Singapore Branch Private Banking Division and Phillip Securities Pte Ltd.

(ii) Mr. Aw Ming-Yao Marcus is deemed to have an interest registered in the name of Citibank Nominees Singapore Pte Ltd.

DIRECTORS' STATEMENT

Year ended 30 June 2019

Directors' interests (Continued)

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.

ICP Performance Share Plan

ICP Performance Share Plan (the "Scheme") of the Company was approved and adopted by shareholders at the Extraordinary General Meeting held on 30 October 2017.

The Scheme is administered by the Remuneration Committee ("Committee") whose members are:

Mr. Ong Kok Wah (Chairman and Independent, Non-Executive Director)
Mr. Tan Kok Hiang (Independent, Non-Executive Director)
Mr. Koh Tien Gui (Independent, Non-Executive Director)

The Scheme is designed to primarily reward and retain executive directors, non-executive directors and employees of the Company whose contributions are essential to the Company's long-term growth and prosperity.

Information regarding the Scheme is set out below.

Principal terms of the Scheme

(i) Participants

Group employees (including Group Executive Directors), Non-Executive Directors, Controlling Shareholders and their associates, shall be eligible to participate in the Scheme, subject to the rules of the Scheme.

(ii) Size of the Scheme

The aggregate number of shares over which the Committee may grant under the Scheme ("Awards"), when added to the number of shares issued and issuable in respect of all Awards granted under the Scheme, shall not exceed 15% of the total issued shares (excluding treasury shares and subsidiary holdings) of the Company on the day preceding that date of award.

DIRECTORS' STATEMENT

Year ended 30 June 2019

ICP Performance Share Plan (Continued)

Principal terms of the Scheme (Continued)

(iii) Grant of Awards

The Committee may grant Awards to Participants from time to time at their own discretion. The Committee has the discretion to determine whether the Performance Target(s) has been satisfied (whether fully or partially) or exceeded, and in making such determination, the Committee shall have the right to make reference to the audited results of the Group or the Company, and further, the right to amend the Performance Target(s) if the Committee decides that a changed Performance Target would be a fairer measure of performance.

(iv) Acceptance of Awards

The Participant is to receive fully-paid shares free of consideration upon the Participant achieving the Performance Target(s). Awards are personal to the Participant to whom it is given and shall not be transferred (other than to a Participant's personal representative on the death of the former), charged, assigned, pledged or otherwise disposed of, unless with the prior approval of the Committee.

(v) Termination of Awards

Special provisions in the rules of the Scheme deal with the lapse or earlier exercise of share options in circumstances which include the decision of the Committee to revoke or annul such Awards, the cessation of the participant's employment in the Company, the bankruptcy of the participant, in the event of misconduct by the Participant and a take-over, winding-up, amalgamation or reconstruction of the Company and the winding-up of the Company.

(vi) Duration of the Scheme

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

There were no Awards issued by the Company since the commencement of the Scheme on 30 October 2017.

Audit Committee

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

Tan Kok Hiang	(Chairman)
Koh Tien Gui	
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.

DIRECTORS' STATEMENT

Year ended 30 June 2019

Audit Committee (Continued)

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

- The effectiveness of the Group's management of financial business risks and the reliability of management reporting;

- Compliance with laws and regulations, particularly those of the Companies Act, Chapter 50 and the Catalist Rules;

- The appropriateness of interim and full year financial statement announcements and reports;

- The effectiveness and efficiency of external and internal audits; and

- Interested person transactions (as defined in Chapter 9 of the Catalist Rules).

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

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.

In appointing our auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the Catalist Rules.

DIRECTORS' STATEMENT

Year ended 30 June 2019

Auditors

The retiring auditors, KPMG LLP will not be seeking re-appointment at the forthcoming Annual General Meeting. Deloitte & Touche LLP have indicated their willingness to accept appointment as auditors.

On behalf of the Board of Directors

Aw Cheok Huat
Director

Tan Kok Hiang
Director

20 September 2019

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ICP Ltd. (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2019, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 66 to 157.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the audit of the financial statements (Continued)

Key audit matters (Continued)

<table>
<tr><td colspan="2">Going concern basis of accounting
(Refer to Note 2.2 to the financial statements)</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The Group has incurred a net loss of S$2,124,000 (2018: S$2,984,000) for the year ended 30 June 2019, and as of that date, the Group's current liabilities are in excess of its current assets by S$15,948,000 (2018: current assets are in excess of its current liabilities by S$4,851,000). The Group has net assets of S$32,918,000 (2018: S$31,577,000) as at 30 June 2019.

As disclosed in Note 2.2 to the financial statements, having considered the following, management believes that the Group can continue as a going concern for the foreseeable future:

(i) Cash flows from vessel chatering which are contractual in nature;

(ii) Future cash inflows from operating the hotel property at normal capacity through the full year in the next financial year ending 30 June 2020; and

(iii) Cash flows from hotel management, including new hotel management agreement obtained after year end.

As this assessment involves consideration of future events, there is a risk that the future events do not occur as expected and the variation may be material.</td><td>We evaluated management's assessment of the Group's ability to continue as a going concern by performing an analysis of the cash flows forecasts prepared by management, for the next twelve months from the date of approval of the financial statements, and assessed the reasonableness of assumptions used in developing these forecasts.

We challenged the appropriateness of key assumptions used by management that requires significant judgement.

We performed stress-test on the key assumptions used in developing operating cash flows forecast (primarily revenue and expenses) by comparing to historical and available market information.

We considered the adequacy of the required disclosures in Note 2.2 to the financial statements.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the audit of the financial statements (Continued)

Key audit matters (Continued)

Valuation of intangible – trademarks (S$4.7 million) (Refer to Note 5 to the financial statements)	
The key audit matter	*How the matter was addressed in our audit*
The Group holds the registered trademark rights to the "Travelodge" hotel brand name in the Asia Pacific region, excluding Australia and New Zealand. The trademark has an indefinite useful life and is tested for impairment annually. The valuation of the trademark rights is assessed as part of the Group's Hotel Development Operation ("Hotel Development CGU") under the Hospitality Segment. The trademark rights are the primary asset in the Hotel Development CGU. Management applied the discounted cash flow method in determining the value-in-use of the trademarks. Management judgement is required in estimating the forecasted revenue of the hotels, which includes the following key assumptions: the average growth rates for the number of hotel rooms being operated, average room occupancy rate, discount rates and terminal growth rate. Changes in these estimates will impact the value-in-use of the trademarks.	We evaluated the key assumptions used by management in the value-in-use computation of the Hotel Development CGU, based on our understanding of the Group's hospitality business and comparing to industry data. We discussed with management the Group's planned growth strategies, which included a comparison of the Group's plan against the actual progress, so as to assess the reasonableness of the forecasted revenue. We performed stress-test on the key assumptions used in developing the revenue forecast by comparing to historical and available market information. We also independently tested the discount rates applied by comparing to observable market data.

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the audit of the financial statements (Continued)

Key audit matters (Continued)

<table>
<tr><td colspan="2">Valuation of goodwill and vessels (inclusive of dry-docking expenditures) (S$1.2 million and S$12.8 million respectively)
(Refer to Note 5 and Note 4 to the financial statements)</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>The Group's vessels chartering segment comprises two cash-generating units ("CGUs"), namely GMT Bravo Pte. Ltd. and GMT Charlie Pte. Ltd. These CGUs are tested for impairment annually.

The recoverable amounts of the CGUs, including allocated goodwill, are determined using the value-in-use approach, which is based on the discounted cash flow estimated by management. In determining the recoverable amounts, management judgement is required in estimating the future vessel charter revenues and discount rates of the CGUs. In management's estimated discounted cash flow, management estimated that future vessel charter rates can be maintained at the current charter rates, of which management assessed that the level of demand for these vessels will be sustained. Changes in these estimates will impact the value-in-use of the CGUs.</td><td>We evaluated the key assumptions used in determining the value-in-use of the two CGUs, based on our understanding of the Group's vessels chartering business and comparing the estimates against historical and market trends. We independently tested the discount rates applied by comparing to observable market data.

We performed stress-test on the key assumptions that are most sensitive to changes, in particular charter income.

We considered the adequacy of the required disclosures in relation to sensitivity to changes of key assumptions in Note 4 to the financial statements.</td></tr>
</table>

Other information

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

We have obtained the Chairman's Statement, Review of Operations and Financial Performance, Board of Directors, Management, Travelodge Footprint in Asia As Of Today, Expanding the Travelodge Brand, Continuing with Our Core Expertise, Sustainability Report, Corporate Information, Report on Corporate Governance, Directors' Statement and Status Report on the Use of Proceeds prior to the date of this auditors' report. The Analysis of Ordinary Shareholdings is expected to be made available to us after that date.

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

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the audit of the financial statements (Continued)

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the audit of the financial statements (Continued)

Auditors' responsibilities for the audit of the financial statements (Continued)

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

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditors' report is Chin Bo Wui.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
20 September 2019

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2019

		Group			Company		
	Note	2019 S$'000	2018 S$'000	1 July 2017 S$'000	2019 S$'000	2018 S$'000	1 July 2017 S$'000
Assets							
Property, plant and equipment	4	**47,610**	43,861	14,139	**1**	5	3
Intangible assets	5	**5,892**	5,580	5,570	**2**	1	–
Subsidiaries	6	**–**	–	–	**17,792**	9,765	9,765
Associate and joint venture	7	**26**	28	21	**–**	–	–
Other investments	8	**1,011**	1,106	1,055	**1,011**	1,106	1,055
Other receivables	9	**1,628**	1,473	332	**13,107**	–	–
Club membership		**–**	–	10	**–**	–	–
Non-current assets		**56,167**	52,048	21,127	**31,913**	10,877	10,823
Trade and other receivables	9	**2,840**	3,671	874	**12,386**	30,833	17,172
Inventories		**96**	88	26	**–**	–	–
Cash and cash equivalents	10	**3,380**	4,544	21,895	**1,946**	1,560	19,484
Current assets		**6,316**	8,303	22,795	**14,332**	32,393	36,656
Total assets		**62,483**	60,351	43,922	**46,245**	43,270	47,479
Equity							
Share capital	11	**87,434**	83,524	83,524	**87,434**	83,524	83,524
Reserves	12	**(58,955)**	(56,414)	(53,287)	**(51,612)**	(50,728)	(50,117)
Equity attributable to owners of the Company		**28,479**	27,110	30,237	**35,822**	32,796	33,407
Non-controlling interests	14	**4,439**	4,467	4,285	**–**	–	–
Total equity		**32,918**	31,577	34,522	**35,822**	32,796	33,407
Liabilities							
Loans and borrowings	15	**–**	18,280	2,580	**–**	–	–
Amounts due to non-controlling interests (non-trade)	16	**6,160**	6,005	1,400	**–**	–	–
Deferred tax liability	17	**1,141**	1,037	1,010	**–**	–	–
Non-current liabilities		**7,301**	25,322	4,990	**–**	–	–
Loans and borrowings	15	**19,511**	1,080	3,080	**–**	–	2,000
Amounts due to non-controlling interests (non-trade)	16	**500**	–	–	**–**	–	–
Trade and other payables	18	**2,253**	2,372	1,330	**10,423**	10,474	12,072
Current liabilities		**22,264**	3,452	4,410	**10,423**	10,474	14,072
Total liabilities		**29,565**	28,774	9,400	**10,423**	10,474	14,072
Total equity and liabilities		**62,483**	60,351	43,922	**46,245**	43,270	47,479

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2019

	Note	Group 2019 S$'000	Group 2018 S$'000
Revenue	19	**4,506**	3,180
Cost of sales		**(1,787)**	(1,485)
Gross profit		**2,719**	1,695
Other income		**59**	70
Administrative expenses		**(4,289)**	(4,302)
Other expenses		**(95)**	(10)
Results from operating activities		**(1,606)**	(2,547)
Finance income	20	**14**	91
Finance costs	20	**(461)**	(530)
Net finance cost		**(447)**	(439)
Share of results of equity-accounted investees, net of tax	7	**33**	29
Loss before tax	21	**(2,020)**	(2,957)
Tax expenses	22	**(104)**	(27)
Loss for the year		**(2,124)**	(2,984)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		**(445)**	–
Fair value gain on available-for-sale financial assets		**–**	39
Other comprehensive (loss)/income for the year, net of tax		**(445)**	39
Total comprehensive loss for the year		**(2,569)**	(2,945)
Loss for the year attributable to:			
Owners of the Company		**(2,219)**	(3,166)
Non-controlling interests	14	**95**	182
		(2,124)	(2,984)
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(2,541)**	(3,127)
Non-controlling interests	14	**(28)**	182
		(2,569)	(2,945)
Loss per share			
Basic and diluted (cents per share)	24	**(0.08)**	(0.12)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2019

	Share capital S$'000	Fair value reserve S$'000	Other reserve S$'000	Accumulated losses S$'000	Equity attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
Group							
At 1 July 2017	83,524	(99)	(2,059)	(51,129)	30,237	4,285	34,522
Total comprehensive (loss)/income for the year							
(Loss)/Profit for the year	–	–	–	(3,166)	(3,166)	182	(2,984)
Other comprehensive income for the year							
Net change in fair value of available-for-sale financial assets	–	39	–	–	39	–	39
Total comprehensive income/(loss) for the year	–	39	–	(3,166)	(3,127)	182	(2,945)
At 30 June 2018	83,524	(60)	(2,059)	(54,295)	27,110	4,467	31,577

	Share capital S$'000	Fair value reserve S$'000	Other reserve S$'000	Foreign currency translation reserve S$'000	Accumulated losses S$'000	Equity attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
Group								
At 1 July 2018, as previously stated	83,524	(60)	(2,059)	–	(54,295)	27,110	4,467	31,577
Adjustment on initial application of SFRS(I) 9, net of tax	–	60	–	–	(60)	–	–	–
At 1 July 2018, as adjusted	83,524	–	(2,059)	–	(54,355)	27,110	4,467	31,577
Issue of share capital	3,910	–	–	–	–	3,910	–	3,910
Total comprehensive loss for the year								
(Loss)/Profit for the year	–	–	–	–	(2,219)	(2,219)	95	(2,124)
Other comprehensive loss for the year	–	–	–	(322)	–	(322)	(123)	(445)
Total comprehensive loss for the year	–	–	–	(322)	(2,219)	(2,541)	(28)	(2,569)
At 30 June 2019	**87,434**	**–**	**(2,059)**	**(322)**	**(56,574)**	**28,479**	**4,439**	**32,918**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2019

	Note	Group 2019 S$'000	2018 S$'000
Cash flows from operating activities			
Loss before tax		**(2,020)**	(2,957)
Adjustments for:			
Depreciation for the year		**1,540**	1,337
Amortisation for the year		**31**	65
Fair value loss on other investments		**95**	–
Impairment loss on club membership		**–**	10
Property, plant and equipment written off		**13**	–
Interest expense on financial liabilities measured at amortised cost		**453**	495
Interest income on bank deposits		**(14)**	(91)
Share of results of equity-accounted investees, net of tax		**(33)**	(29)
Unrealised foreign exchange loss		**6**	–
		71	(1,170)
Changes in working capital:			
Inventories		**(8)**	(62)
Trade and other receivables		**(260)**	(1,769)
Trade and other payables		**(158)**	975
Cash used in operations		**(355)**	(2,026)
Interest paid		**(453)**	(426)
Net cash used in operating activities		**(808)**	(2,452)
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(5,299)**	(31,059)
Acquisition of intangible assets		**(343)**	(75)
Dividend income received		**35**	22
Investment in available-for-sale financial assets		**–**	(12)
Interest received		**14**	91
Non-trade amount due from an associate		**–**	(1,141)
Payment in advance for renovation work-in-progress		**–**	(1,028)
Withdrawal of fixed deposits		**–**	2,000
Withdrawal of fixed deposits with tenor of more than 3 months placed with financial institutions		**–**	15,734
Net cash used in investing activities		**(5,593)**	(15,468)
Cash flows from financing activities			
Proceeds from issuance of new ordinary shares	11	**3,910**	–
Proceeds from loans and borrowings		**3,270**	16,780
Proceeds from amounts due to non-controlling interests		**655**	4,605
Repayment of loans and borrowings		**(2,580)**	(3,080)
Net cash generated from financing activities		**5,255**	18,305
Net (decrease)/increase in cash and cash equivalents		**(1,146)**	385
Cash and cash equivalents at beginning of the financial year		**4,047**	3,664
Effects of exchange rate fluctuations on cash held		**(7)**	(2)
Cash and cash equivalents at end of the financial year	10	**2,894**	4,047

Acquisition of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of S$6,327,000 (2018: S$31,059,000), of which S$1,028,000 (2018: S$Nil) was paid in advance in the prior year.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 20 September 2019.

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, #28-16 International Plaza, Singapore 079903.

The financial statements of the Group as at and for the year ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

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

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (SFRS(I)). These are the Company's first financial statements prepared in accordance with SFRS(I) and SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* has been applied.

In the previous financial years, the financial statements were prepared in accordance with Financial Reporting Standards in Singapore (FRS). An explanation of how the transition to SFRS(I) and application of SFRS(I) 9 and SFRS(I) 15 have affected the reported financial position, financial performance and cash flows is provided in Note 30.

2.2 Going concern basis of accounting

The Group incurred a net loss of S$2,124,000 (2018: S$2,984,000) for the year ended 30 June 2019, and as of that date, the Group's current liabilities are in excess of its current assets by S$15,948,000 (2018: current assets are in excess of its current liabilities by S$4,851,000). The Group has net assets of S$32,918,000 (2018: S$31,577,000) as at 30 June 2019.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

2 Basis of preparation (Continued)

2.2 Going concern basis of accounting (Continued)

The Group has a secured bank loan with a carrying amount of S$19,511,000 (2018: S$18,280,000; 1 July 2017: S$Nil) as at 30 June 2019. The secured bank loan is secured by the Group's hotel property and freehold land with a carrying amount as at 30 June 2019 of S$31,728,000 (2018: S$30,328,000; 1 July 2017: S$Nil). During the year ended 30 June 2019, one of the loan covenant requirements, which requires the maintenance of a debt service coverage ratio ("DSCR") of minimum 1.2 times, was breached. The subsidiary was not able to comply with the requirement of the DSCR because the hotel property was undergoing extensive refurbishment for 8 months during the financial year, resulting in a lower profit before interest, tax, depreciation and amortisation. Consequently, the outstanding bank loan could be called for immediate repayment. As at 30 June 2019, the non-current portion of this outstanding bank loan, amounting to S$19,276,000, was reclassified to current liabilities, resulting in the Group's net current liabilities position as at that date.

Subsequent to the reporting date, on 28 August 2019, the subsidiary obtained a waiver from the bank in relation to the non-compliance of the DSCR covenant requirement for the financial year ended 30 June 2019.

The financial statements have been prepared on a going concern basis, based on the following:

1. Having regard to the new hotel management contract secured after the year end and the return to full operation of the recently refurbished hotel, the Group expects to generate positive operating cash flows in the next twelve months from the date of approval of the financial statements, attributable to incremental revenue from hotel management contracts signed during the financial year;

2. The Group expects the vessels to continue generating positive operating cash flows in the next twelve months from the date of approval of the financial statements; and

3. The Group has no significant commitments as at 30 June 2019 that would require significant cash outflows.

Management has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

2.3 Basis of measurement

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

2 Basis of preparation (Continued)

2.4 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.

2.5 Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about 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 adjustment 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 2019

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening SFRS(I) statements of financial position at 1 July 2017 for the purposes of the transition to SFRS(I), unless otherwise indicated.

The accounting policies have been applied consistently by the Group entities.

3.1 Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.

Acquisition from 1 July 2017

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

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.1 Basis of consolidation (Continued)

(i) Business combinations (Continued)

Acquisition from 1 July 2017 (Continued)

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 SFRS(I)s.

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

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

Acquisition before 1 July 2017

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.1 Basis of consolidation (Continued)

(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.

(iv) Investments in equity-accounted investees

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

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

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

(v) Transactions eliminated on consolidation

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

(vi) Subsidiaries in the separate financial statements

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

(ii) Foreign operations

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

Foreign currency differences are recognised in OCI and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the NCI. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in OCI and are presented in the translation reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

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

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

(ii) Classification and subsequent measurement

Non-derivative financial assets – Policy applicable from 1 July 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

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

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

Equity investments at FVOCI

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets – Policy applicable from 1 July 2018 (Continued)

Financial assets at FVTPL

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

Financial assets: Business model assessment – Policy applicable from 1 July 2018

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 July 2018

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 July 2018

Financial assets at FVTPL

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

Financial assets at amortised cost

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

Equity investments at FVOCI

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

Non-derivative financial assets – Policy applicable before 1 July 2018

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

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 July 2018

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable before 1 July 2018 (Continued)

Available-for-sale financial assets

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

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

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

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

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

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

(iii) Derecognition

Financial assets

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

(iii) Derecognition (Continued)

Financial assets (Continued)

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

Financial liabilities

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

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

(iv) Offsetting

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 legally enforceable right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits 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.

(vi) 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.

NOTES TO
THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, 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 property, 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 property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.4 Property, plant and equipment (Continued)

(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 property, plant and equipment, unless it is included in the carrying amount of another asset. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Hotel property	–	50 years
Vessels	–	23 years
Dry-docking expenditures	–	2.5 years
Renovations	–	3 to 10 years
Furniture and fittings	–	5 years
Computer equipment	–	3 years
Plant and machinery	–	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Intangible asset and goodwill

(i) Goodwill

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

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associate and joint venture, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associate and joint venture.

NOTES TO
THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.5 Intangible asset and goodwill (Continued)

(ii) Trademarks

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

(iii) Other intangible assets

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

(iv) Subsequent expenditure

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

(v) Amortisation

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

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful life related to software for the current and comparative years is 3 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

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

Policy applicable from 1 July 2018

The Group recognises loss allowances for estimated credit loss ("ECL") on financial assets measured at amortised costs. Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.8 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Policy applicable from 1 July 2018 (Continued)

General approach (Continued)

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significantly increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.8 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Policy applicable from 1 July 2018 (Continued)

Credit-impaired financial assets (Continued)

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

3 Significant accounting policies (Continued)

3.8 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Policy applicable before 1 July 2018

A financial asset not carried at fair value through profit or loss, including an interest in an associate and joint venture, is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, 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.

Loans and receivables

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.8 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

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.

(ii) Associate and joint venture

An impairment loss in respect of an associate or joint venture is measured by comparing the recoverable amount of the investment with its carrying amount. 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.

(iii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.8 Impairment (Continued)

(iii) Non-financial assets (Continued)

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

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

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

3.9 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.9 Employee benefits (Continued)

(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 2019 and 30 June 2018, 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 expense.

3.11 Revenue recognition

(i) Goods and services sold

Revenue from goods and services sold comprise sales of food and beverages, hotel fees income and hotel property income. Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual stand-alone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.11 Revenue recognition (Continued)

(i) Goods and services sold (Continued)

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

(a) 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. Revenue is recognised at a point in time. Payment for sale of food and beverages is either on cash term or due within 30 days.

(b) Hotel fees income

Hotel fees income is recognised on a periodic basis as a percentage of the hotel's revenue in accordance with terms stated in the franchise/hotel management agreement. Revenue is recognised over a period of time. Payment for hotel fees income is due within 30 days.

(c) Hotel property income

Hotel room revenue is recognised based on room occupancy while other hotel revenues are recognised when the services are rendered to the customers. Revenue is recognised over a period of time. Payment for hotel rooms and other services is due upon checkout and utilisation of service respectively.

(ii) Charter income

Charter fees arising from the chartering of vessels are accounted for on a straight-line basis over the lease term. Payment for charter income is due within 30 days.

(iii) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Payment for rental income is due on/or before 7th day of each month.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

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.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying costs, which are assets that necessarily take a substantial period or time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.14 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to 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 financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investment in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

3 Significant accounting policies (Continued)

3.14 Tax expense (Continued)

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of the existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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 Executive Directors of the respective strategic business units are the chief operating decision maker. All operating segments' operating results are reviewed regularly by the Executive Directors of the respective strategic business units 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 Executive Directors of the respective strategic business units 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 property, plant and equipment and intangible assets other than goodwill.

3.17 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in Note 31.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

4 Property, plant and equipment

	Freehold land S$'000	Hotel property S$'000	Vessels S$'000	Dry-docking expenditures S$'000	Renovations S$'000	Furniture and fittings S$'000	Computer equipment S$'000	Plant and machinery S$'000	Total S$'000
Group									
Cost									
At 1 July 2017	–	–	18,594	1,274	357	25	64	–	20,314
Additions	17,556	12,865	–	583	1	24	30	–	31,059
At 30 June 2018	17,556	12,865	18,594	1,857	358	49	94	–	51,373
Additions	–	2,488	–	606	2,587	556	83	7	6,327
Written off	–	–	–	(1,274)	(358)	(15)	(29)	–	(1,676)
Effect of movement in exchange rates	(550)	(450)	–	–	(24)	(6)	–	–	(1,030)
At 30 June 2019	**17,006**	**14,903**	**18,594**	**1,189**	**2,563**	**584**	**148**	**7**	**54,994**
Accumulated depreciation and impairment loss									
At 1 July 2017	–	–	4,701	1,144	275	16	39	–	6,175
Depreciation for the year	–	93	899	266	58	3	18	–	1,337
At 30 June 2018	–	93	5,600	1,410	333	19	57	–	7,512
Depreciation for the year	–	93	750	475	111	78	33	–*	1,540
Written off	–	–	–	(1,274)	(345)	(15)	(29)	–	(1,663)
Effect of movement in exchange rates	–	(5)	–	–	–	–	–	–	(5)
At 30 June 2019	**–**	**181**	**6,350**	**611**	**99**	**82**	**61**	**–***	**7,384**
Carrying amounts									
At 1 July 2017	–	–	13,893	130	82	9	25	–	14,139
At 30 June 2018	17,556	12,772	12,994	447	25	30	37	–	43,861
At 30 June 2019	**17,006**	**14,722**	**12,244**	**578**	**2,464**	**502**	**87**	**7**	**47,610**

* Less than S$1,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

4 Property, plant and equipment (Continued)

	Computer equipment S$'000
Company	
Cost	
At 1 July 2017	3
Additions	3
At 30 June 2018	6
Additions	–
At 30 June 2019	**6**
Accumulated depreciation	
At 1 July 2017	–*
Depreciation for the year	1
At 30 June 2018	1
Depreciation for the year	4
At 30 June 2019	**5**
Carrying amounts	
At 1 July 2017	3
At 30 June 2018	5
At 30 June 2019	**1**

* Less than S$1,000

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

	Group 2019 S$'000	Group 2018 S$'000
– Cost of sales	**1,225**	1,164
– Administrative expenses	**315**	173
	1,540	1,337

(ii) The hotel property and freehold land, with net carrying amount of S$31,728,000 (2018: S$30,328,000; 1 July 2017: S$Nil) is pledged to a bank as a first legal charge over the Group's hotel property to secure term loan facilities (Note 15).

(iii) Included in additions to hotel property of S$2,488,000 (2018: S$12,865,000; 1 July 2017: S$Nil) and renovations of S$2,587,000 (2018: S$1,000; 1 July 2017: S$50,000) was capitalised borrowing costs of S$579,000 (2018: S$Nil; 1 July 2017: S$Nil) and S$107,000 (2018: S$Nil; 1 July 2017: S$Nil) respectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

5 Intangible assets

	Software S$'000	Goodwill S$'000	Trademark S$'000	Total S$'000
Group				
Cost				
At 1 July 2017	240	1,167	4,312	5,719
Additions	3	–	72	75
At 30 June 2018	243	1,167	4,384	5,794
Additions	38	–	305	343
At 30 June 2019	**281**	**1,167**	**4,689**	**6,137**
Accumulated amortisation				
At 1 July 2017	149	–	–	149
Amortisation for the year	65	–	–	65
At 30 June 2018	214	–	–	214
Amortisation for the year	31	–	–	31
At 30 June 2019	**245**	**–**	**–**	**245**
Carrying amounts				
At 1 July 2017	91	1,167	4,312	5,570
At 30 June 2018	29	1,167	4,384	5,580
At 30 June 2019	**36**	**1,167**	**4,689**	**5,892**

	Software S$'000
Company	
Cost	
At 1 July 2017	–
Additions	3
At 30 June 2018	3
Additions	1
At 30 June 2019	**4**
Accumulated amortisation	
At 1 July 2017	–
Amortisation for the year	2
At 30 June 2018	2
Amortisation for the year	–*
At 30 June 2019	**2**
Carrying amounts	
At 1 July 2017	–
At 30 June 2018	1
At 30 June 2019	**2**

* Amount less than S$1,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

5 **Intangible assets** (Continued)

(i) Goodwill

Impairment assessment

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

	Group		
	2019	**2018**	**1 July 2017**
	S$'000	**S$'000**	**S$'000**
Cash-generating units			
GMT Bravo Pte. Ltd.	**613**	613	613
GMT Charlie Pte. Ltd.	**554**	554	554
	1,167	1,167	1,167

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

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

	Growth rates			Pre-tax discount rate		
	2019	**2018**	**1 July 2017**	**2019**	**2018**	**1 July 2017**
	%	**%**	**%**	**%**	**%**	**%**
GMT Bravo Pte. Ltd.	**0**	0	0	**8.7**	10.9	10.7
GMT Charlie Pte. Ltd.	**0**	0	0	**8.9**	10.8	10.7

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

5 **Intangible assets** (Continued)

(i) **Goodwill** (Continued)

Sensitivity to change in assumptions

Management has identified that a change in the following assumptions would cause the carrying amount of the CGUs to exceed the recoverable amount:

	Decrease in charter income			Increase in pre-tax discount rate		
	2019	**2018**	**1 July 2017**	**2019**	**2018**	**1 July 2017**
	%	**%**	**%**	**%**	**%**	**%**
GMT Bravo Pte. Ltd.	**(5)**	(10)	(12)	**2**	3	2
GMT Charlie Pte. Ltd.	**(13)**	(10)	(12)	**3**	3	2

(ii) **Trademark rights**

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

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

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

Impairment assessment

The trademark rights are part of the hospitality segment (“Hotel Development CGU”). The carrying amount of the trademark rights (as part of the Hotel Development CGU) is assessed for impairment annually.

The recoverable amount of the Hotel Development CGU is determined based on value-in-use calculation, using future cash-flow projections derived from the cash flow projection approved by management for the next 5 years (2018: 5 years; 1 July 2017: 5 years). The key assumptions used in value-in-use calculations are:

	2019	**2018**	**1 July 2017**
	%	**%**	**%**
Average growth in number of rooms	**42**	53	44
Average room occupancy rate	**63**	63	69
Pre-tax discount rates	**12 – 18**	14 – 19	11 – 17
Terminal growth rate	**3**	3	3

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

5 Intangible assets (Continued)

(ii) Trademark rights (Continued)

Impairment assessment (Continued)

The cash flow projections are based on the cash flows expected to be derived from the contractual hotel management, franchise and license agreements established with local partners in Hong Kong, Thailand, Indonesia, Malaysia, Korea and Singapore.

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

Sensitivity to change in assumptions

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

6 Subsidiaries

		Company	
			1 July
	2019	**2018**	**2017**
	S$'000	**S$'000**	**S$'000**
Unquoted equity shares, at cost	**19,661**	11,511	11,511
Less: Allowance for impairment	**(1,869)**	(1,746)	(1,746)
Net carrying value	**17,792**	9,765	9,765

During the financial year, an amount of S$8,150,000 due from the Company's wholly owned subsidiary, Travelodge Hotels (Asia) Pte. Ltd., was converted to ordinary shares as interest in subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

6 Subsidiaries (Continued)

Details of subsidiaries as at 30 June 2019 are as follows:

Name of subsidiaries	Principal activities	Place of operation/ Country of incorporation	Group's effective equity interest		
			2019 %	2018 %	1 July 2017 %
Held by the Company					
Dynamar Holdings Pte Ltd[1]	Investment holding and management consultancy	Singapore	**100**	100	100
ICP Asset Management Pte. Ltd.[1]	Management consultancy	Singapore	**100**	100	100
ICP Marine Pte. Ltd.[1]	Investment holding	Singapore	**100**	100	100
Paragon Holdings Pte. Ltd[1]	Investment holding	Singapore	**100**	100	100
AceA Resources Pte. Ltd.[1]	Investment holding	Singapore	**100**	100	100
Travelodge Hotels Asia (IP) Pte. Ltd.[1]	Investment holding and ownership of trademark rights	Singapore	**100**	100	100
Travelodge Hotels (Asia) Pte. Ltd.[2]	Hospitality services	Singapore	**100**	100	100
Midscale Hotel Investments Pte. Ltd.[1]	Investment Holding	Singapore	**100**	100	100
Held by Dynamar Holdings Pte Ltd					
Valtron Technology Pte Ltd[1]	Inactive	Singapore	**100**	100	100
Held by ICP Management Services Pte. Ltd.					
Goldtron Trading Pte Ltd[1]	Inactive	Singapore	**100**	100	100
Held by ICP Marine Pte. Ltd.					
GMT Bravo Pte. Ltd.[2]	Vessel ownership and provider of leasing services	Singapore	**51**	51	51
GMT Charlie Pte. Ltd.[2]	Vessel ownership and provider of leasing services	Singapore	**51**	51	51

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

6 Subsidiaries (Continued)

Name of subsidiaries	Principal activities	Place of operation/ Country of incorporation	Group's effective equity interest 2019 %	2018 %	1 July 2017 %
Held by Travelodge Hotels Asia (IP) Pte. Ltd.					
Travelodge (IP) Pty Limited[4]	Investment holding	Australia	**100**	100	100
Tu Jin Hotels (IP) Pte. Ltd.[1]	Investment holding	Singapore	**100**	100	100
Travelodge Hotels India (IP) Pte. Ltd.[1]	Investment holding	Singapore	**100**	100	100
Held by Travelodge Hotels (Asia) Pte. Ltd.					
Tu Jin Hotels Pte. Ltd.[1]	Hospitality services	Singapore	**100**	100	100
Held by Tu Jin Hotels Pte. Ltd.					
Tu Jin (Ningbo) Hotel Management Co Ltd[4]	Hospitality services	China	**100**	100	100
Held by Midscale Hotel Investments Pte. Ltd.					
MHI HK 1 Pte. Ltd.[1]	Investment holding	Singapore	**100**	100	100
MHI MY 1 Pte. Ltd.[1]	Investment holding	Singapore	**73.3**	73.3	–
MHI SG 1 Pte. Ltd.[1]	Investment holding	Singapore	**100**	100	–
Held by MHI MY 1 Pte. Ltd.					
MHI MY 1 Sdn. Bhd.[3]	Hospitality services	Malaysia	**73.3**	73.3	–
Held by MHI MY 1 Sdn. Bhd.					
Geo Hotel Sdn. Bhd.[3]	Hospitality services	Malaysia	**73.3**	73.3	–

(1) Exempt from audit under Singapore Companies Act, Chapter 50.
(2) Audited by KPMG LLP Singapore.
(3) Audited by other member firms of KPMG International.
(4) Not audited as it is immaterial. The unaudited management financial statements as at 30 June 2019 have been used for consolidated purpose.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

6 Subsidiaries (Continued)

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

Impairment

The movement in the allowance for impairment loss during the year is as follows:

	Company		
	2019	**2018**	**1 July 2017**
	S$'000	**S$'000**	**S$'000**
At the beginning of the financial year	**1,746**	1,746	1,746
Impairment loss recognised during the year	**123**	–	–
At the end of the financial year	**1,869**	1,746	1,746

7 Associate and joint venture

	Group		
	2019	**2018**	**1 July 2017**
	S$'000	**S$'000**	**S$'000**
Investment in associate	**–***	–*	–*
Investment in joint venture	**26**	28	21
	26	28	21
Share of results of equity-accounted investees, net of tax	**33**	29	17

* Amount less than S$1,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

7 Associate and joint venture (Continued)

Details of associate as at 30 June 2019 are as follows:

Name of associate	Principal activities	Place of operation/ Country of incorporation	Group's effective equity interest		
			2019	2018	1 July 2017
			%	%	%
Robust Century Ltd ("Robust Century")	Management and operation of hotels	Cayman Islands	**2**	2	2

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

Details of joint venture as at 30 June 2019 are as follows:

Name of joint venture	Principal activities	Place of operation/ Country of incorporation	Group's effective equity interest		
			2019	2018	1 July 2017
			%	%	%
Travelodge (Thailand) Co., Ltd.	Management and operation of hotels	Thailand	**20**	20	20

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

8 Other investments

		Group			Company		
				1 July			1 July
	Note	2019	2018	2017	2019	2018	2017
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Unquoted equity securities – available-for-sale		–	6,266	6,266	–	–	–
Allowance for impairment		–	(6,266)	(6,266)	–	–	–
		–	–	–	–	–	–
Unquoted equity securities – FVOCI		–	–	–	–	–	–
Unquoted fund investments – available-for-sale	23	–	1,106	1,055	–	1,106	1,055
Unquoted fund investments – FVTPL	23	**1,011**	–	–	**1,011**	–	–
		1,011	1,106	1,055	**1,011**	1,106	1,055

Unquoted equity securities

Unquoted equity securities relate to the Group's investment in Tiaro Coal Ltd. ("Tiaro") and Paragon Coal Pty. Ltd. ("Paragon") companies in the business of exploration of coal. At 1 July 2018, the Group designated these investments as equity investments measured at FVOCI because they represent investments that the Group intends to hold for long-term strategic purposes. In the previous years, the Group assessed the recoverability of the investments in Tiaro and Paragon to be S$Nil and had written down their carrying amounts to S$Nil. Accordingly, as at 30 June 2019, management assessed the fair value of these investments to be S$Nil.

Impairment

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

	Group
	S$'000
At 1 July 2017 and 30 June 2018 per FRS 39	6,266
At 1 July 2018 per FRS 39	6,266
Adjustment on initial application of SFRS(I) 9	(6,266)
At 1 July 2018 and 30 June 2019 per SFRS(I) 9	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

8 Other investments (Continued)

Unquoted fund investments

In the current year, the Group recognised a fair value loss of S$95,000 (2018: fair value gain of S$39,000; 1 July 2017: fair value loss of S$99,000) on the investment in unquoted fund investments as the net asset values of the underlying fund investments decreased (2018: increased; 1 July 2017: decreased). The fair value (loss)/gain was recognised directly in profit or loss (2018: fair value reserve in other comprehensive income; 1 July 2017: fair value reserve in other comprehensive income).

The Group's and Company's exposure to market risk and fair value measurement related to other investments is disclosed in Note 23.

9 Trade and other receivables

	Group			Company		
	2019 S$'000	2018 S$'000	1 July 2017 S$'000	2019 S$'000	2018 S$'000	1 July 2017 S$'000
Non-current						
Non-trade amounts due from subsidiaries	**–**	–	–	**13,107**	–	–
Non-trade amount due from an associate	**1,628**	1,473	332	**–**	–	–
	1,628	1,473	332	**13,107**	–	–
Current						
Trade receivables	**817**	360	–	**–**	–	–
Trade amounts due from a director	**12**	–	–	**–**	–	–
Non-trade amounts due from subsidiaries	**–**	–	–	**12,456**	30,633	16,463
Allowance for impairment loss	**–**	–	–	**(98)**	–	–
	–	–	–	**12,358**	30,633	16,463
Deposits	**203**	1,416	615	**–**	168	547
Interest receivable	**–**	–	130	**–**	–	130
Other receivables	**1,770**	1,750	85	**7**	37	26
Allowance for impairment loss	**(4)**	(29)	(29)	**–**	(25)	(25)
	1,766	1,721	56	**7**	12	1
Trade and other receivables	**2,798**	3,497	801	**12,365**	30,813	17,141
Prepayments	**42**	174	73	**21**	20	31
	2,840	3,671	874	**12,386**	30,833	17,172

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

9 Trade and other receivables (Continued)

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

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

The Group's and Company's exposure to credit risks, currency risks and impairment losses related to trade and other receivables is disclosed in Note 23.

10 Cash and cash equivalents

	Group			Company		
	2019 S$'000	2018 S$'000	1 July 2017 S$'000	2019 S$'000	2018 S$'000	1 July 2017 S$'000
Cash and bank balances	**2,894**	4,047	3,664	**1,946**	1,560	1,404
Fixed deposits	**486**	497	18,231	**–**	–	18,080
Cash and cash equivalents in the statements of financial position	**3,380**	4,544	21,895	**1,946**	1,560	19,484
Fixed deposits with tenor of more than 3 months placed with financial institutions	**(335)**	(346)	(16,080)			
Fixed deposits pledged	**(151)**	(151)	(2,151)			
Cash and cash equivalents in the consolidated statement of cash flows	**2,894**	4,047	3,664			

The weighted average effective interest rates per annum relating to fixed deposits at the reporting date for the Group and Company ranged from 0.05% to 1.95% (2018: 0.05% to 3.00%, 1 July 2017: 1.00% to 1.30%).

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 2019

11 Share capital

	Company					
	2019		2018		1 July 2017	
	No. of shares '000	S$'000	No. of shares '000	S$'000	No. of shares '000	S$'000
Issued and fully paid ordinary shares, with no par value						
At the beginning of the financial year	**2,651,689**	**83,524**	2,651,689	83,524	2,651,689	83,524
Issue of share capital	**460,000**	**3,910**	–	–	–	–
At the end of the financial year	**3,111,689**	**87,434**	2,651,689	83,524	2,651,689	83,524

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		
	2019 S$'000	2018 S$'000	1 July 2017 S$'000	2019 S$'000	2018 S$'000	1 July 2017 S$'000
Fair value reserve	**–**	60	99	**–**	60	99
Foreign currency translation reserve	**322**	–	–	**–**	–	–
Other reserve	**2,059**	2,059	2,059	**–**	–	–
Accumulated losses	**56,574**	54,295	51,129	**51,612**	50,668	50,018
	58,955	56,414	53,287	**51,612**	50,728	50,117

Fair value reserve

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

12 **Reserves** (Continued)

Foreign currency translation reserve

Foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

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**

ICP Performance Share Plan

ICP Performance Share Plan (the "Scheme") of the Company was approved and adopted by shareholders at the Extraordinary General Meeting held on 30 October 2017. The Scheme is administered by the Company's Remuneration Committee ("Committee").

Information regarding the Scheme is set out below.

The principal terms of the Scheme are:

(i) *Participants*

Group employees (including Group Executive Directors), Non-Executive Directors, Controlling Shareholders and their associates, shall be eligible to participate in the Scheme, subject to the rules of the Scheme.

(ii) *Size of the Scheme*

The aggregate number of shares over which the Committee may grant under the Scheme ("Awards"), when added to the number of shares issued and issuable in respect of all Awards granted under the Scheme, shall not exceed 15% of the total issued shares (excluding treasury shares and subsidiary holdings) of the Company on the day preceding that date of award.

(iii) *Grant of Awards*

The Committee may grant Awards to Participants from time to time at their own discretion. The Committee has the discretion to determine whether the Performance Target(s) has been satisfied (whether fully or partially) or exceeded, and in making such determination, the Committee shall have the right to make reference to the audited results of the Group or the Company, and further, the right to amend the Performance Target(s) if the Committee decides that a changed Performance Target would be a fairer measure of performance.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

13 Share-based payment arrangement (Continued)

ICP Performance Share Plan (Continued)

(iv) Acceptance of Awards

The Participant is to receive fully-paid shares free of consideration upon the Participant achieving the Performance Target(s). Awards are personal to the Participant to whom it is given and shall not be transferred (other than to a Participant's personal representative on the death of the former), charged, assigned, pledged or otherwise disposed of, unless with the prior approval of the Committee.

(v) Termination of Awards

Special provisions in the rules of the Scheme deal with the lapse or earlier exercise of share options in circumstances which include the decision of the Committee to revoke or annul such Awards, the cessation of the participant's employment in the Company, the bankruptcy of the participant, in the event of misconduct by the Participant and a take-over, winding-up, amalgamation or reconstruction of the Company and the winding-up of the Company.

(vi) Duration of the Scheme

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

There were no Awards issued by the Company since the commencement of the Scheme on 30 October 2017.

14 Non-controlling interests

The following subsidiaries have non-controlling interests ("NCI").

Name	**Principal places of business/Country of incorporation**	**Effective equity interest held by NCI**		
		2019	**2018**	**1 July 2017**
		%	**%**	**%**
GMT Bravo Pte. Ltd. ("GMT Bravo")	Singapore	**49**	49	49
GMT Charlie Pte. Ltd. ("GMT Charlie")	Singapore	**49**	49	49
MHI MY 1 Pte. Ltd.	Singapore	**26.7**	26.7	–
MHI MY 1 Sdn. Bhd.	Malaysia	**26.7**	26.7	–
Geo Hotel Sdn. Bhd.	Malaysia	**26.7**	26.7	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

14 Non-controlling interests (Continued)

The following table summarised the financial information for each of the above subsidiaries based on their respective financial statements and are prepared in accordance with SFRS(I)s, 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	MHI MY 1 Sdn. Bhd. S$'000	Other immaterial subsidiaries S$'000	Total S$'000
Percentage of ownership by NCI	49%	49%	26.7%	26.7%	
2019					
Revenue	924	887	1,266	16	
Profit/(loss) for the year	177	143	(210)	(23)	
Other comprehensive loss	–	–	–	(462)	
Total comprehensive income/(loss)	177	143	(210)	(485)	
Attributable to NCI:					
– Profit/(loss) for the year	87	70	(56)	(6)	95
– Total comprehensive income/(loss)	87	70	(56)	(129)	(28)
Non-current assets	6,319	6,502	35,462	14	
Current assets	370	255	3,241	18,849	
Non-current liabilities	(1,105)	(1,423)	(16,528)	(4,738)	
Current liabilities	(712)	(812)	(22,332)	(14,583)	
Net assets/(liabilities)	4,872	4,522	(157)	(458)	
Net assets/(liabilities) attributable to NCI	2,387	2,216	(42)	(122)	4,439
Cash flows from/(used in)operating activities	823	802	1,144	(50)	
Cash flows from/(used in) investing activities	2	(604)	(4,502)	–	
Cash flows (used in)/from financing activities	(1,290)	(1,190)	3,405	(36)	
Net (decrease)/increase in cash and cash equivalents	(465)	(992)	47	(86)	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

14 Non-controlling interests (Continued)

	GMT Bravo S$'000	GMT Charlie S$'000	Other immaterial subsidiaries S$'000	Total S$'000
Percentage of ownership by NCI	49%	49%	26.7%	
2018				
Revenue	859	903	516	
Profit for the year, representing total comprehensive income	143	209	36	
Attributable to NCI:				
– Profit for the year, representing total comprehensive income	70	102	10	182
Non-current assets	6,927	6,513	31,241	
Current assets	830	1,349	22,195	
Non-current liabilities	(1,330)	(1,207)	(38,435)	
Current liabilities	(1,722)	(2,264)	(14,964)	
Net assets	4,705	4,391	37	
Net assets attributable to NCI	2,305	2,152	10	4,467
Cash flows from/(used in) operating activities	749	781	(2,009)	
Cash flows (used in)/from investing activities	(580)	3	(31,521)	
Cash flows (used in)/from financing activities	(540)	(540)	34,093	
Net (decrease)/increase in cash and cash equivalents	(371)	244	563	

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

15 Loans and borrowings

	Group			Company		
			1 July			**1 July**
	2019	**2018**	**2017**	**2019**	**2018**	**2017**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Secured bank loans						
– Current	**19,511**	1,080	3,080	**–**	–	2,000
– Non-current	**–**	18,280	2,580	**–**	–	–
	19,511	19,360	5,660	**–**	–	2,000

The Group has a secured bank loan with a carrying amount of S$19,511,000 (2018: S$18,280,000; 1 July 2017: S$Nil) as at 30 June 2019. The secured bank loan is held by one of the subsidiaries of the Group, of which the loan is secured by the Group's hotel property and freehold land with carrying amount of S$31,728,000 (2018: S$30,328,000; 1 July 2017: S$Nil). As at 30 June 2019, one of the loan covenant requirements, which requires the maintenance of a debt service coverage ratio ("DSCR") of minimum 1.2 times, was breached. The subsidiary was not able to comply with the requirement of the DSCR because the hotel property held by the subsidiary was undergoing extensive refurbishment for 8 months during the financial year, resulting in a lower profit before interest, tax, depreciation and amortisation. Consequently, the non-current portion of this outstanding bank loan, amounting to S$19,276,000, was reclassified to current liabilities as at 30 June 2019 in accordance with requirements of Singapore Financial Reporting Standards (International) 1-1 *Presentation of Financial Statements*.

Subsequent to the reporting date, on 28 August 2019, the subsidiary obtained a waiver from the bank for the financial year ended 30 June 2019. Accordingly, the outstanding bank loan, amounting to S$19,276,000, was reclassified to non-current liabilities after the financial year ended 30 June 2019.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

15 Loans and borrowings (Continued)

Terms and debt repayment schedule

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

	Currency	Nominal interest rate %	Year of maturity	Face value S$'000	Carrying amount S$'000
Group					
2019					
Floating rate term loans	MYR	2.25% over the Bank's prevailing 1 month's effective cost of funds	2023	**19,511**	**19,511**
				19,511	**19,511**
2018					
Floating rate term loans	SGD	2.5% + higher of 3-month swap offer rate or 3-month cost of fund of the lender	2020	2,580	2,580
Floating rate term loans	MYR	2.25% over the Bank's prevailing 1 month's effective cost of funds	2023	16,780	16,780
				19,360	19,360
1 July 2017					
Floating rate term loans	SGD	2.5% + higher of 3-month swap offer rate or 3-month cost of fund of the lender	2020	3,660	3,660
Fixed rate bank loan	SGD	1.8%	2017	2,000	2,000
				5,660	5,660
Company					
1 July 2017					
Fixed rate bank loan	SGD	1.8%	2017	2,000	2,000

The term and bank loans are secured over:

(i) First legal charge over the Group's hotel property and freehold land with carrying amount of S$31,728,000 (2018: S$30,328,000; 1 July 2017: S$Nil) (Note 4);

(ii) Corporate guarantee by the Company;

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

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

(v) Fixed deposits pledged amounting to S$335,000 (2018: S$346,000; 1 July 2017: S$16,080,000) (Note 10).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

15 Loans and borrowings (Continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities		
	Loans and borrowings S$'000	**Amounts due to non-controlling interests (non-trade) S$'000**	**Total S$'000**
Balance as at 1 July 2017	5,660	1,400	7,060
Changes from financing cash flows			
Proceeds from loans and borrowings	16,780	–	16,780
Proceeds from amounts due to non-controlling interests	–	4,605	4,605
Repayment of loans and borrowings	(3,080)	–	(3,080)
Total changes from financing cash flows	13,700	4,605	18,305
Balance as at 30 June 2018	19,360	6,005	25,365
Balance as at 1 July 2018	19,360	6,005	25,365
Changes from financing cash flows			
Proceeds from loans and borrowings	3,270	–	3,270
Proceeds from amounts due to non-controlling interests	–	655	655
Repayment of loans and borrowings	(2,580)	–	(2,580)
Effect of exchange rate	(539)	–	(539)
Total changes from financing cash flows	151	655	806
Balance as at 30 June 2019	**19,511**	**6,660**	**26,171**

Information about the Group and Company's exposure to interest rate, currency and liquidity risks is disclosed in Note 23.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

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

	Group			Company		
	2019 S$'000	2018 S$'000	1 July 2017 S$'000	2019 S$'000	2018 S$'000	1 July 2017 S$'000
– Current[(a)]	**500**	–	–	**–**	–	–
– Non-current[(b)]	**6,160**	6,005	1,400	**–**	–	–
	6,660	6,005	1,400	**–**	–	–

(a) Current portion of amounts due to non-controlling interests is interest-free, unsecured and repayable on demand.

(b) During the financial year, the Group has obtained additional advances from non-controlling interests amounting to S$155,000 for the renovation of hotel property. The advances are interest-free, unsecured and not repayable within the next twelve months from the end of the reporting period.

As at 30 June 2019, amounts due to non-controlling interests of S$3,160,000 (2018: S$2,605,000, 1 July 2017: S$Nil) relate to amounts due to shareholders/directors of the Company.

17 Deferred tax liability

Movement in deferred tax balances

	At 1 July 2017 S$'000	Recognised in profit or loss (Note 22) S$'000	At 30 June 2018 S$'000	Recognised in profit or loss (Note 22) S$'000	At 30 June 2019 S$'000
Property, plant and equipment	1,010	27	1,037	104	**1,141**

18 Trade and other payables

	Group			Company		
	2019 S$'000	2018 S$'000	1 July 2017 S$'000	2019 S$'000	2018 S$'000	1 July 2017 S$'000
Trade payables	**595**	863	168	**38**	127	48
Accrued operating expenses	**1,094**	945	598	**315**	308	320
Dividend payable	**564**	564	564	**564**	564	564
Non-trade amount due to a subsidiary	**–**	–	–	**9,506**	9,475	11,140
	2,253	2,372	1,330	**10,423**	10,474	12,072

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

19 Revenue

	Group	
	2019	2018
	S$'000	S$'000
SFRS(I) 15 *Revenue from Contracts with Customers*		
Sales of food and beverages	**94**	221
Hotel fees income	**1,156**	662
Hotel property income	**1,281**	458
Others	**–**	19
	2,531	1,360
SFRS (I) 1-17 *Leases*		
Charter income	**1,811**	1,763
Rental income	**164**	57
	1,975	1,820
Total revenue	**4,506**	3,180

Sale of food and beverages

Nature	Sales of foods in restaurant and sales of wine
When revenue is recognised	At point in time upon transfer of goods
Significant payment terms	Cash term or 30 days from invoice date

Hotel fees income

Nature	Provision of hotel management services and franchise fees
When revenue is recognised	Over a period of time
Significant payment terms	30 days from invoice date

Hotel property income

Nature	Provision of hotel accommodation and related services
When revenue is recognised	Provision of hotel accommodation is recognised based on room occupancy while related services are recognised when the services are rendered to the customers
Significant payment terms	Payment for hotel rooms and other services is due upon checkout and utilisation of service respectively

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

20 Finance income and finance costs

	Group	
	2019	**2018**
	S$'000	**S$'000**
Interest income on bank deposits	**14**	91
Finance income	**14**	91
Interest expense on financial liabilities measured at amortised cost	**(453)**	(495)
Foreign exchange loss, net	**(8)**	(35)
Finance costs	**(461)**	(530)
Net finance costs	**(447)**	(439)

21 Loss before tax

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

	Group	
	2019	**2018**
	S$'000	**S$'000**
Audit fees paid and payable to:		
– auditors of the Company	**145**	82
Non audit fees paid and payable to:		
– other auditor	**4**	8
Cost of inventories recognised to profit or loss in the year	**121**	135
Depreciation for the year	**1,540**	1,337
Amortisation for the year	**31**	65
Impairment loss on club membership	**–**	10
Property, plant and equipment written off	**13**	–
Operating lease expenses	**177**	288
Fair value loss on other investments	**95**	–
Employee benefits expense		
Salaries, bonuses and other costs		
– included in cost of sales	**55**	52
– included in administrative expenses	**1,857**	1,786
Contributions to defined contribution plans	**115**	189
	2,027	2,027

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

22 Tax expenses

Tax recognised in profit or loss

	Note	Group 2019 S$'000	Group 2018 S$'000
Current tax expense			
Current year		**–**	–
Deferred tax expense			
Origination and reversal of temporary differences		**87**	107
Under/(over) provision of deferred tax expense in respect of prior years		**17**	(80)
	17	**104**	27
Total tax expense		**104**	27

Reconciliation of effective tax rate

	Group 2019 S$'000	Group 2018 S$'000
Loss before tax	**(2,020)**	(2,957)
Tax using the Singapore tax rate of 17%	**(344)**	(503)
Effect of different tax rates in different countries	**(2)**	–
Change in unrecognised temporary differences	**274**	439
Non-deductible expenses	**171**	183
Tax exempt income	**(12)**	(12)
Under/(over) provision of deferred tax expense in respect of prior years	**17**	(80)
	104	27

The following temporary differences have not been recognised:

	Group 2019 S$'000	Group 2018 S$'000
Deductible temporary differences	**868**	580
Unutilised capital allowances	**391**	391
Unutilised tax losses	**30,470**	29,148
	31,729	30,119

Deferred tax assets have not been recognised in respect of the deductible temporary differences, unutilised capital allowances and tax losses as it is not probable that future taxable profits will be sufficient to allow the related tax benefits to be realised. The use of these deductible temporary differences, capital allowances and tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Group entities operate.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

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 receivables from customers and fair value through profit or loss investment.

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.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer. However, management also considers the demographics of the Group's customer base, including default risk associated with the industry and country in which customers operate, as these factors may have an influence on credit risk. Details of concentration of revenue are included in Note 25.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

23 Financial risk management (Continued)

Credit risk (Continued)

Trade and other receivables (Continued)

As at 30 June 2019, 99.9% (2018: 99.4%; 1 July 2017: 95.9%) of the Company's trade and other receivables comprised non-trade amounts due from subsidiaries. There are no concentration of credit risk of the Group's trade and other receivables as at 30 June 2019, 2018 and 1 July 2017.

The Group limits its exposure to credit risk from trade receivables by establishing maximum payment periods of 30 to 90 days for customers.

Expected credit loss assessment for trade receivables as at 30 June 2019 and 1 July 2018

The Group uses an allowance matrix to measure the lifetime ECLs of trade receivables. The provision rates are determined based on the Group's historical observed default rates over the past two years analysed in accordance to days past due from its customers.

The Group does not expect significant credit losses as at the end of the reporting period based on actual historical credit losses incurred.

	Weighted average loss rate %	Gross carrying amount S$'000	Expected credit loss allowance S$'000	Credit impaired
Group				
Current	0.0	340	–	No
Past due < 30 days	0.0	141	–	No
Past due < 31 – 90 days	0.0	249	–	No
Past due more than 90 days	0.0	99	–	No
		829	–	

Comparative information under FRS 39

Trade receivables as at 30 June 2018 were not past due.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

23 Financial risk management (Continued)

Credit risk (Continued)

Trade and other receivables (Continued)

Expected credit loss assessment for other receivables as at 30 June 2019 and 1 July 2018

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

	Group S$'000	Company S$'000
At 1 July 2017 and 30 June 2018 per FRS 39	29	25
At 1 July 2018 per FRS 39	29	25
Adjustment on initial application of SFRS(I) 9	–	–
At 1 July 2018 per SFRS(I) 9	29	25
Amounts written off	(25)	(25)
At 30 June 2019	**4**	**–**

Except for the impaired receivables, no allowance for impairment loss is considered necessary in respect of the remaining receivables, including those receivables that are past due, as the Group believes that the amounts are still collectible, based on historical payment patterns and good credit records maintained by the customers.

Non-trade amounts due from subsidiaries

The change in the allowance for impairment loss in respect of non-trade amounts due from subsidiaries during the year is as follows:

	Company S$'000
At 1 July 2017 and 30 June 2018 per FRS 39	–
At 1 July 2018 per FRS 39	–
Adjustment on initial application of SFRS(I) 9	–
At 1 July 2018 per SFRS(I) 9	–
Impairment loss recognised	98
At 30 June 2019	**98**

The Company held non-trade amounts due from subsidiaries of S$25,465,000 (2018: S$30,633,000, 1 July 2017: S$16,463,000). These balances are amounts extended to subsidiaries to satisfy funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to management accounts, cash flow projections, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis; and the amount of the allowance is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

23 Financial risk management (Continued)

Credit risk (Continued)

Trade and other receivables (Continued)

Non-trade amount due from an associate

The Group held non-trade amount due from an associate of S$1,628,000 (2018: S$1,473,000, 1 July 2017: S$332,000). Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to management accounts, cash flow projections, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis; and the amount of the allowance is insignificant.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of S$3,380,000 (2018: S$4,544,000, 1 July 2017: S$21,895,000) and S$1,946,000 (2018: S$1,560,000, 1 July 2017: S$19,484,000) respectively at 30 June 2019.

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

The amount of the allowance on cash and cash equivalents is negligible.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities, that are settled by delivering cash or another financial asset, as and when they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses deemed adequate by management to meet the Group's working capital requirements.

Management is of the opinion that the Group is able to meet their obligations for the next financial year as and when they fall due.

Refer to Note 2.2 for management's assessment on the appropriateness of the continuing use of the going concern assumption in the preparation of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

23 **Financial risk management** (Continued)

Credit risk (Continued)

Liquidity risk (Continued)

Exposure to liquidity risk

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

		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 financial liabilities				
30 June 2019				
Secured bank loans	**19,511**	**(19,511)**	**(19,511)**	**–**
Amounts due to non-controlling interests	**6,660**	**(6,660)**	**(500)**	**(6,160)**
Trade and other payables	**2,253**	**(2,253)**	**(2,253)**	**–**
	28,424	**(28,424)**	**(22,264)**	**(6,160)**
30 June 2018				
Secured bank loans	19,360	(24,792)	(2,324)	(22,468)
Amounts due to non-controlling interests	6,005	(6,005)	–	(6,005)
Trade and other payables	2,372	(2,372)	(2,372)	–
	27,737	(33,169)	(4,696)	(28,473)
1 July 2017				
Secured bank loans	5,660	(5,871)	(3,196)	(2,675)
Amounts due to non-controlling interests	1,400	(1,400)	–	(1,400)
Trade and other payables	1,330	(1,330)	(1,330)	–
	8,390	(8,601)	(4,526)	(4,075)
Company				
Non-derivative financial liabilities				
30 June 2019				
Trade and other payables	**10,423**	**(10,423)**	**(10,423)**	**–**
30 June 2018				
Trade and other payables	10,474	(10,474)	(10,474)	–
1 July 2017				
Secured bank loans	2,000	(2,000)	(2,000)	–
Trade and other payables	12,072	(12,072)	(12,072)	–
	14,072	(14,072)	(14,072)	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

23 Financial risk management (Continued)

Credit risk (Continued)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group's interest rate risks relate 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		
	2019	**2018**	**1 July 2017**	**2019**	**2018**	**1 July 2017**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Fixed rate instruments						
Fixed bank deposits	**486**	497	18,231	**–**	–	18,080
Loans and borrowings	**–**	–	2,000	**–**	–	2,000
Variable rate instruments						
Loans and borrowings	**19,511**	19,360	3,660	**–**	–	–

Fair value sensitivity analysis for fixed rate instruments

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

23 Financial risk management (Continued)

Credit risk (Continued)

Market risk (Continued)

Cash flow sensitivity analysis for variable rate instruments

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

	Profit or loss	
	100 bp increase S$'000	**100 bp decrease S$'000**
Group		
30 June 2019		
Variable rate instruments – loans and borrowings	**(195)**	**195**
30 June 2018		
Variable rate instruments – loans and borrowings	(194)	194
1 July 2017		
Variable rate instruments – loans and borrowings	(37)	37

Foreign currency risk

The Group has no significant foreign currency denominated financial assets or liabilities except for other receivables and loans and borrowings. The Group does not use any financial instruments to hedge its exposure to foreign currency risk. The currencies in which these transactions primarily are denominated are in Malaysia Ringgit ("MYR") and Hong Kong Dollar ("HKD").

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

	2019		2018		1 July 2017	
	MYR S$'000	**HKD S$'000**	**MYR S$'000**	**HKD S$'000**	**MYR S$'000**	**HKD S$'000**
Group						
Trade and other receivables	**2,247**	**1,628**	3,070	1,473	–	332
Cash and cash equivalents	**634**	**–**	672	–	–	–
Loans and borrowings	**(19,511)**	**–**	(16,780)	–	–	–
Trade and other payables	**(585)**	**–**	(373)	–	–	–
Net exposure	**(17,215)**	**1,628**	(13,411)	1,473	–	332

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

23 Financial risk management (Continued)

Credit risk (Continued)

Foreign currency risk (Continued)

Sensitivity analysis

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

	Group Profit or loss S$'000
30 June 2019	
MYR	**1,722**
HKD	**(163)**
30 June 2018	
MYR	1,341
HKD	(147)
1 July 2017	
HKD	(33)

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

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

23 Financial risk management (Continued)

Credit risk (Continued)

Foreign currency risk (Continued)

Capital management (Continued)

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

	2019	**2018**	**1 July 2017**
	S$'000	**S$'000**	**S$'000**
Total liabilities^	**26,171**	25,365	7,060
Less: cash and cash equivalents	**(3,380)**	(4,544)	(21,895)
Adjusted net debt	**22,791**	20,821	(14,835)
Total equity	**32,918**	31,577	34,522
Adjusted net debt to adjusted equity ratio	**0.69**	0.66	N.M.*

^ Excludes deferred tax liabilities and trade and other payables

* Not meaningful as the Group is in a net cash position

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

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements for the financial years ended 30 June 2019, 2018 and 1 July 2017.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

23 Financial risk management (Continued)

Credit risk (Continued)

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			
	Amortised cost S$'000	Financial assets at FVTPL S$'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 2019								
Financial assets measured at fair value								
Other investments	–	1,011	–	1,011	–	–	1,011	1,011
Financial assets not measured at fair value								
Other receivables – non-current	1,628	–	–	1,628	–	1,547	–	1,547
Trade and other receivables	2,798	–	–	2,798				
Cash and cash equivalents	3,380	–	–	3,380				
	7,806	–	–	7,806				
Financial liabilities not measured at fair value								
Loans and borrowings	–	–	(19,511)	(19,511)	–	(19,511)	–	(19,511)
Amounts due to non-controlling interests (non-trade)	–	–	(6,660)	(6,660)	–	(6,327)	–	(6,327)
Trade and other payables	–	–	(2,253)	(2,253)				
	–	–	(28,424)	(28,424)				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

23 Financial risk management (Continued)

Credit risk (Continued)

Accounting classifications and fair values (Continued)

Fair values versus carrying amounts (Continued)

	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 2018								
Financial assets measured at fair value								
Available-for-sale financial assets	–	1,106	–	1,106	–	–	1,106	1,106
Financial assets not measured at fair value								
Other receivables – non current	1,473	–	–	1,473	–	1,399	–	1,399
Trade and other receivables	3,497	–	–	3,497				
Cash and cash equivalents	4,544	–	–	4,544				
	9,514	–	–	9,514				
Financial liabilities not measured at fair value								
Loans and borrowings	–	–	(19,360)	(19,360)	–	(19,360)	–	(19,360)
Amounts due to non-controlling interests (non-trade)	–	–	(6,005)	(6,005)	–	(5,719)	–	(5,719)
Trade and other payables	–	–	(2,372)	(2,372)				
	–	–	(27,737)	(27,737)				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

23 Financial risk management (Continued)

Credit risk (Continued)

Accounting classifications and fair values (Continued)

Fair values versus carrying amounts (Continued)

	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								
1 July 2017								
Financial assets measured at fair value								
Available-for-sale financial assets	–	1,055	–	1,055	–	–	1,055	1,055
Financial assets not measured at fair value								
Other receivables – non current	332	–	–	332	–	315	–	315
Trade and other receivables	801	–	–	801				
Cash and cash equivalents	21,895	–	–	21,895				
	23,028	–	–	23,028				
Financial liabilities not measured at fair value								
Loans and borrowings	–	–	(5,660)	(5,660)	–	(5,362)	–	(5,362)
Amounts due to non-controlling interests (non-trade)	–	–	(1,400)	(1,400)	–	(1,330)	–	(1,330)
Trade and other payables	–	–	(1,330)	(1,330)				
	–	–	(8,390)	(8,390)				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

23 Financial risk management (Continued)

Credit risk (Continued)

Accounting classifications and fair values (Continued)

Fair values versus carrying amounts (Continued)

	Carrying amount				Fair value			
	Amortised cost S$'000	Financial assets at FVTPL S$'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 2019								
Financial assets measured at fair value								
Other investments	–	1,011	–	1,011	–	–	1,011	1,011
Financial assets not measured at fair value								
Other receivables – non current	13,107	–	–	13,107	–	12,447	–	12,447
Trade and other receivables	12,365	–	–	12,365				
Cash and cash equivalents	1,946	–	–	1,946				
	27,418	–	–	27,418				
Financial liabilities not measured at fair value								
Trade and other payables	–	–	(10,423)	(10,423)				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

23 Financial risk management (Continued)

Credit risk (Continued)

Accounting classifications and fair values (Continued)

Fair values versus carrying amounts (Continued)

	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 2018								
Financial assets measured at fair value								
Available-for-sale financial assets	–	1,106	–	1,106	–	–	1,106	1,106
Financial assets not measured at fair value								
Other receivables	30,813	–	–	30,813				
Cash and cash equivalents	1,560	–	–	1,560				
	32,373	–	–	32,373				
Financial liabilities not measured at fair value								
Trade and other payables	–	–	(10,474)	(10,474)				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

23 Financial risk management (Continued)

Credit risk (Continued)

Accounting classifications and fair values (Continued)

Fair values versus carrying amounts (Continued)

	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								
1 July 2017								
Financial assets measured at fair value								
Available-for-sale financial assets	–	1,055	–	1,055	–	–	1,055	1,055
Financial assets not measured at fair value								
Other receivables	17,141	–	–	17,141				
Cash and cash equivalents	19,484	–	–	19,484				
	36,625	–	–	36,625				
Financial liabilities not measured at fair value								
Loans and borrowings	–	–	(2,000)	(2,000)				
Trade and other payables	–	–	(12,072)	(12,072)				
	–	–	(14,072)	(14,072)				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

23 Financial risk management (Continued)

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			
Investment in unquoted fund investments	The fair value of the unquoted investments funds is based on the net assets from their latest available management accounts	Net asset values of underlying fund investment	The estimated fair value would increase/(decrease) if net assets value of underlying funds was higher/(lower)

Financial instrument not measured at fair value

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

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

Non-current loans and borrowings

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

Other financial assets and liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

23 Financial risk management (Continued)

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:

	Other investments S$'000
Group and Company	
At 1 July 2018	1,106
Total unrealised loss for the period included in profit or loss – net change in fair value of unquoted fund investments	(95)
At 30 June 2019	**1,011**
At 1 July 2017	1,055
Addition	12
Total unrealised gain for the period included in other comprehensive income – net change in fair value of unquoted fund investments	39
At 30 June 2018	1,106

Other investments relate to investments in unquoted investment funds and unquoted equity securities. There is no quoted market price available for other investments; there were also no recent observable arm's length transactions in these investments.

Sensitivity analysis

For the Group's and the Company's investment in unquoted investment funds, a 10% increase in the net asset values of the underlying funds would have increased the Group's and the Company's profit or loss (2018: other comprehensive income) by approximately S$101,000 (2018: S$111,000). An equal change in the opposite direction would have decreased the Group's and the Company's profit or loss (2018: other comprehensive income) by the same amount.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

24 Loss per share

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

	Group	
	2019	**2018**
	S$'000	**S$'000**
Loss for the year attributable to owners of the Company	**(2,219)**	(3,166)

	No. of shares 2019 '000	**No. of shares 2018 '000**
Issued ordinary shares at beginning of the financial year	**2,651,689**	2,651,689
Effect of shares issued in 5 March 2019	**460,000**	–
Issued ordinary shares at end of the financial year	**3,111,689**	2,651,689
Weighted average number of ordinary shares	**2,805,022**	2,651,689
Basic and diluted loss per share (cents)	**(0.08)**	(0.12)

Diluted loss per share is the same as basic loss per share as there were no potential dilutive financial instruments for the financial years ended 30 June 2019 and 2018.

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 Executive Directors of the respective strategic business units (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 Executive Directors of the respective strategic business units monitor the results, assets and liabilities attributable to each reportable segment on the following basis:

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

25 Operating segments (Continued)

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 Executive Directors of the respective strategic business units. Segment profit or loss is used to measure performance as the Executive Directors of the respective strategic business units believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

	Vessels chartering S$'000	Hospitality S$'000	Investment holding S$'000	Inter-segment adjustments S$'000	Total S$'000
30 June 2019					
Segment revenue					
Revenue from external customers	1,811	2,695	–	–	4,506
Inter-segment revenue	–	200	–	(200)	–
Total revenue	1,811	2,895	–	(200)	4,506
Finance income	4	20	10	(20)	14
Finance costs	(70)	(384)	(7)	–	(461)
Share of results of equity-accounted investees, net of tax	–	33	–	–	33
Tax expenses	(91)	(13)	–	–	(104)
Reportable segment profit/(loss) for the year	318	(1,512)	(730)	(200)	(2,124)
Other material items:					
Depreciation and amortisation charges for the year	1,225	341	5	–	1,571
Reportable segment assets	14,614	45,660	43,290	(41,081)	62,483
Reportable segment liabilities	8,371	44,783	7,626	(31,215)	29,565
Other segment information:					
Capital expenditure	606	6,064	–	–	6,670

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

25 Operating segments (Continued)

Information about reportable segments (Continued)

	Vessels chartering S$'000	Hospitality S$'000	Investment holding S$'000	Inter-segment adjustments S$'000	Total S$'000
30 June 2018					
Segment revenue					
Revenue from external customers	1,763	1,398	19	–	3,180
Inter-segment revenue	–	405	287	(692)	–
Total revenue	1,763	1,803	306	(692)	3,180
Finance income	6	–	85	–	91
Finance costs	(118)	(378)	(34)	–	(530)
Share of results of equity-accounted investees, net of tax	–	29	–	–	29
Tax expenses	(27)	–	–	–	(27)
Reportable segment profit/(loss) for the year	352	(1,856)	(788)	(692)	(2,984)
Other material items:					
Depreciation and amortisation charges for the year	1,164	236	2	–	1,402
Reportable segment assets	16,787	41,165	39,188	(36,789)	60,351
Reportable segment liabilities	10,861	47,108	6,751	(35,946)	28,774
Other segment information:					
Capital expenditure	583	31,439	4	(892)	31,134

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

25 Operating segments (Continued)

Geographical segments

The Group's revenue and non-current assets is attributable to the geographical location of customers and assets as follows:

	Group	
	2019	**2018**
	S$'000	**S$'000**
Segment revenue		
Singapore	**1,905**	2,003
Hong Kong	**597**	521
Malaysia	**1,682**	519
Others	**322**	137
	4,506	3,180
Segment non-current assets		
Singapore	**21,585**	21,720
Malaysia	**34,582**	30,328
	56,167	52,048

Major customer

Revenue from a related party in the vessels chartering segment accounts for approximately S$1,811,000 (2018: S$1,763,000) or 40% (2018: 55%) of the Group's total revenues.

26 Operating leases

Leases as a lessor

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

	Group	
	2019	**2018**
	S$'000	**S$'000**
Within 1 year	**879**	879

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

26 Operating leases (Continued)

Leases as a lessee

Non-cancellable operating leases rentals are payable as follows:

	Group	
	2019	2018
	S$'000	S$'000
Within 1 year	**193**	125
Between 1 and 5 years	**337**	85
	530	210

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

27 Capital commitments

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

	Group	
	2019	2018
	S$'000	S$'000
Investment in unquoted fund investment committed but not yet called up	**54**	55
Renovation work-in-progress contracted for but not yet paid out	**–**	3,971

28 Related parties

Transactions with key management personnel

Key management personnel compensation comprises:

	Group		Company	
	2019	2018	2019	2018
	S$'000	S$'000	S$'000	S$'000
Short-term employment benefits	**508**	667	**114**	112
Directors' fees	**114**	125	**114**	125
Post-employment benefits	**25**	28	**7**	16
	647	820	**235**	253

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

28 Related parties (Continued)

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	
	2019	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Non-controlling interests				
Vessels chartering income	**887**	864	**–**	–
Administrative fee charged by a corporate shareholder	**38**	38	**–**	–
Related corporations				
Hotel fees income from associate	**467**	386	**–**	–
Director				
Sale of food and beverages	**12**	–	**–**	–

29 Accounting estimates and judgement in applying accounting policies

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

Sources of estimation

Determination of useful lives of property, plant and equipment and intangible assets

Property, 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

29 Accounting estimates and judgement in applying accounting policies (Continued)

Sources of estimation (Continued)

Valuation of property, plant and equipment and intangible assets

The Group performs an impairment assessment on property, 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. In addition, for the valuation of vessels, assumptions are made in relation to the continual renewal of existing charter contracts over the forecast period. Changes in these estimates and assumptions may result in impairment losses on these assets.

Fair value of unquoted fund investments

There are no market prices available for the Group's investment in unquoted fund. 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 through profit or loss investment.

Judgement made in applying accounting policies

Classification of associate

In determining the classification of the investment, the Group exercised judgement over their ability to exercise significant influence at the board of directors over financial and operating policies of the investee.

30 Explanation of transition to SFRS(I) and adoption of new standards

In December 2017, the Accounting Standards Council ("ASC") issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB") at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

As stated in Note 2.1, these are the first financial statements of the Group prepared in accordance with SFRS(I).

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 30 June 2019, the comparative information presented in these financial statements for the year ended 30 June 2018 and in the preparation of the opening SFRS(I) statement of financial position at 1 July 2017 (the Group's date of transition), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

30 Explanation of transition to SFRS(I) and adoption of new standards (Continued)

In preparing the opening SFRS(I) statement of financial position as at 1 July 2017, the Group has adjusted amounts reported previously in the financial statements prepared in accordance with previous FRS.

In addition to the adoption of the new framework, the Group also concurrently applied the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 15 Revenue from Contracts with Customers which includes clarifications to IFRS 15 Revenue from Contracts with Customers issued by the IASB in April 2016;

- SFRS(I) 9 Financial Instruments which includes amendments arising from IFRS 4 Insurance Contracts issued by the IASB in September 2016;

- requirements in SFRS(I) 1 arising from the amendments to IFRS(I) – Deletion of short-term exemptions for first-time adopters issued by the IASB in December 2016;

- requirements in SFRS(I) 1-28 Investments in Associates and Joint Ventures arising from the amendments to IAS 28 – Measuring an associate or joint venture at fair value issued by the IASB in December 2016; and

- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

The application of the above standards and interpretations do not have material effect on the financial statements, except for SFRS(I) 9.

An explanation of how the transition from previous FRS to SFRS(I) and the adoption of SFRS(I) 9 and SFRS(I) 15 have affected the Group's financial position, financial performance and cash flows, and the Company's financial position is set out under the summary of quantitative impact and the accompanying notes.

Summary of quantitative impact

The following reconciliations summarise the impacts on initial application of SFRS(I) 1, SFRS(I) 15 and SFRS(I) 9 on the Group's and the Company's statement of financial positions as at 1 July 2017, 30 June 2018 and 1 July 2018 and the Group's statement of comprehensive income for the year ended 30 June 2018. There were no material adjustments to the Group's statement of cash flows for the year ended 30 June 2018 arising on the transition to SFRS(I).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

30 Explanation of transition to SFRS(I) and adoption of new standards (Continued)

Summary of quantitative impact (Continued)

Reconciliation of the Group's equity
Consolidated statement of financial position

		30 June 2018				1 July 2018	
	Note	FRS framework S$'000	SFRS(I) 1 S$'000	SFRS(I) 15 S$'000	SFRS(I) framework S$'000	SFRS(I) 9 S$'000	SFRS(I) framework S$'000
Non-current assets							
Property, plant and equipment		43,861	–	–	43,861	–	43,861
Intangible assets		5,580	–	–	5,580	–	5,580
Associate and joint venture		28	–	–	28	–	28
Other investments	C(i)	1,106	–	–	1,106	–	1,106
Other receivables	C(i)	1,473	–	–	1,473	–	1,473
		52,048	–	–	52,048	–	52,048
Current assets							
Trade and other receivables	C(i)	3,671	–	–	3,671	–	3,671
Inventories		88	–	–	88	–	88
Cash and cash equivalents	C(i)	4,544	–	–	4,544	–	4,544
		8,303	–	–	8,303	–	8,303
Total assets		60,351	–	–	60,351	–	60,351
Equity							
Share capital		83,524	–	–	83,524	–	83,524
Reserves	C(iii)	(56,414)	–	–	(56,414)	–	(56,414)
Non-controlling interests		4,467	–	–	4,467	–	4,467
Total equity		31,577	–	–	31,577	–	31,577
Non-current liabilities		25,322	–	–	25,322	–	25,322
Current liabilities		3,452	–	–	3,452	–	3,452
Total liabilities		28,774	–	–	28,774	–	28,774
Total equity and liabilities		60,351	–	–	60,351	–	60,351

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

30 Explanation of transition to SFRS(I) and adoption of new standards (Continued)

Summary of quantitative impact (Continued)

Reconciliation of the Group's equity
Consolidated statement of financial position (Continued)

	1 July 2017			
	FRS framework S$'000	SFRS(I) 1 S$'000	SFRS(I) 15 S$'000	SFRS(I) framework S$'000
Non-current assets				
Property, plant and equipment	14,139	–	–	14,139
Intangible assets	5,570	–	–	5,570
Associate and joint venture	21	–	–	21
Other investments	1,055	–	–	1,055
Other receivables	332	–	–	332
Club membership	10	–	–	10
	21,127	–	–	21,127
Current assets				
Trade and other receivables	874	–	–	874
Inventories	26	–	–	26
Cash and cash equivalents	21,895	–	–	21,895
	22,795	–	–	22,795
Total assets	43,922	–	–	43,922
Equity				
Share capital	83,524	–	–	83,524
Reserves	(53,287)	–	–	(53,287)
Non-controlling interests	4,285	–	–	4,285
Total equity	34,522	–	–	34,522
Non-current liabilities	4,990	–	–	4,990
Current liabilities	4,410	–	–	4,410
Total liabilities	9,400	–	–	9,400
Total equity and liabilities	43,922	–	–	43,922

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

30 Explanation of transition to SFRS(I) and adoption of new standards (Continued)

Summary of quantitative impact (Continued)

Reconciliation of the Group's equity
Consolidated statement of comprehensive income

	30 June 2018			
	FRS framework S$'000	SFRS(I) 1 S$'000	SFRS(I) 15 S$'000	SFRS(I) framework S$'000
Revenue	3,180	–	–	3,180
Cost of sales	(1,485)	–	–	(1,485)
Gross profit	1,695	–	–	1,695
Other income	70	–	–	70
Administrative expenses	(4,302)	–	–	(4,302)
Other expenses	(10)	–	–	(10)
Results from operating activities	(2,547)	–	–	(2,547)
Finance income	91	–	–	91
Finance costs	(530)	–	–	(530)
Net finance cost	(439)	–	–	(439)
Share of results of equity-accounted investees, net of tax	29	–	–	29
Loss before tax	(2,957)	–	–	(2,957)
Tax expense	(27)	–	–	(27)
Loss for the year	(2,984)	–	–	(2,984)
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Fair value gain on available-for-sale financial assets	39	–	–	39
Other comprehensive income for the year, net of tax	39	–	–	39
Total comprehensive income for the year	(2,945)	–	–	(2,945)
Loss for the year attributable to:				
Owners of the Company	(3,166)	–	–	(3,166)
Non-controlling interests	182	–	–	182
	(2,984)	–	–	(2,984)
Total comprehensive loss for the year attributable to:				
Owners of the Company	(3,127)	–	–	(3,127)
Non-controlling interests	182	–	–	182
	(2,945)	–	–	(2,945)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

30 Explanation of transition to SFRS(I) and adoption of new standards (Continued)

Summary of quantitative impact (Continued)

Reconciliation of the Company's equity
Statement of financial position for the Company

		30 June 2018				1 July 2018	
	Note	FRS framework S$'000	SFRS(I) 1 S$'000	SFRS(I) 15 S$'000	SFRS(I) framework S$'000	SFRS(I) 9 S$'000	SFRS(I) framework S$'000
Non-current assets							
Property, plant and equipment		5	–	–	5	–	5
Intangible assets		1	–	–	1	–	1
Subsidiaries		9,765	–	–	9,765	–	9,765
Other investments	C(i)	1,106	–	–	1,106	–	1,106
		10,877	–	–	10,877	–	10,877
Current assets							
Trade and other receivables	C(i)	30,833	–	–	30,833	–	30,833
Cash and cash equivalents	C(i)	1,560	–	–	1,560	–	1,560
		32,393	–	–	32,393	–	32,393
Total assets		43,270	–	–	43,270	–	43,270
Equity							
Share capital		83,524	–	–	83,524	–	83,524
Reserves	C(iii)	(50,728)	–	–	(50,728)	–	(50,728)
Total equity		32,796	–	–	32,796	–	32,796
Current liabilities		10,474	–	–	10,474	–	10,474
Total liabilities		10,474	–	–	10,474	–	10,474
Total equity and liabilities		43,270	–	–	43,270	–	43,270

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

30 Explanation of transition to SFRS(I) and adoption of new standards (Continued)

Summary of quantitative impact (Continued)

Reconciliation of the Company's equity

Statement of financial position for the Company (Continued)

	1 July 2017			
	FRS framework S$'000	SFRS(I) 1 S$'000	SFRS(I) 15 S$'000	SFRS(I) framework S$'000
Non-current assets				
Property, plant and equipment	3	–	–	3
Subsidiaries	9,765	–	–	9,765
Other investments	1,055	–	–	1,055
	10,823	–	–	10,823
Current assets				
Trade and other receivables	17,172	–	–	17,172
Cash and cash equivalents	19,484	–	–	19,484
	36,656	–	–	36,656
Total assets	47,479	–	–	47,479

	1 July 2017			
	FRS framework S$'000	SFRS(I) 1 S$'000	SFRS(I) 15 S$'000	SFRS(I) framework S$'000
Equity				
Share capital	83,524	–	–	83,524
Reserves	(50,117)	–	–	(50,117)
Non-controlling interests	–	–	–	–
Total equity	33,407	–	–	33,407
Non-current liabilities	–	–	–	–
Current liabilities	14,072	–	–	14,072
Total liabilities	14,072	–	–	14,072
Total equity and liabilities	47,479	–	–	47,479

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

30 Explanation of transition to SFRS(I) and adoption of new standards (Continued)

Notes to the reconciliations

A. SFRS(I) 1

In adopting SFRS(I) in 2018, the Groups has applied the transition requirements in SFRS(I) 1 with 1 July 2017 as the date of transition. SFRS(I) 1 generally requires that the Group applies SFRS(I) that are effective as at 30 June 2019 on a retrospective basis, as if such accounting policy had always been applied, subject to the mandatory exceptions and optional exemptions in SFRS(I) 1. The application of the transition requirements in SFRS(I) 1 did not have a significant impact on the financial statements.

B. SFRS(I) 15

SFRS(I) 15 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.

The Group adopted SFRS(I) 15 in its financial statements using the retrospective approach. All requirements of SFRS(I) 15 have been applied retrospectively. The adoption of SFRS(I) 15 did not have a significant impact on the financial statements.

C. SFRS(I) 9

SFRS(I) 9 Financial instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new 'expected credit loss' ("ECL") model and a new general hedge accounting model. The Group adopted SFRS(I) 9 from 1 July 2018.

In accordance with the exemption in SFRS(I) 1, the Group elected not to restate information for 2018. Accordingly, the information presented for 2018 is presented, as previously reported, under FRS 39 Financial Instruments: Recognition and Measurement. Differences in carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 July 2018.

Arising from this election, the Group is exempted from providing disclosures required by SFRS(I) 7 Financial Instruments: Disclosures for the comparative period to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under FRS 107 Financial Instruments: Disclosures relating to items within the scope of FRS 39 are provided for the comparative period.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

30 Explanation of transition to SFRS(I) and adoption of new standards (Continued)

Notes to the reconciliations (Continued)

C. SFRS(I) 9 (Continued)

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been applied by the Group retrospectively, except as described below:

- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
  - The determination of the business model within which a financial asset is held;
  - The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding;
  - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at fair value through profit or loss ("FVTPL"); and
  - The designation of certain investments in equity instruments not held for trading as at fair value through other comprehensive income ("FVOCI").

The impact upon adoption of SFRS(I) 9, including the corresponding tax effects, are described below.

(i) Classification and measurement of financial assets and financial liabilities

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, FVOCI – debt instrument, FVOCI – equity instrument; or FVTPL. The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous FRS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under SFRS(I) 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

For an explanation of how the Group classifies and measures financial assets and related gains and losses under SFRS(I) 9, see Note 3.3 (ii).

The adoption of SFRS(I) 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

30 Explanation of transition to SFRS(I) and adoption of new standards (Continued)

Notes to the reconciliations (Continued)

(i) Classification and measurement of financial assets and financial liabilities (Continued)

The following table and the accompanying notes below explain the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9 for each class of the Group's and the Company's financial assets as at 1 July 2018.

	Note	Original classification under FRS 39	New classification under SFRS(I) 9	Original carrying amount under FRS 39 S$'000	New carrying amount under SFRS(I) 9 S$'000
Group					
Financial assets					
Other investments – unquoted equity securities	(a)	Available-for-sale	FVOCI – equity instruments	–	–
Other investments – unquoted fund investments	(b)	Available-for-sale	Mandatorily at FVTPL	1,106	1,106
Trade and other receivables	(c)	Loans and receivables	Amortised cost	5,144	5,144
Cash and cash equivalents	(c)	Loans and receivables	Amortised cost	4,544	4,544
Total financial assets				10,794	10,794
Company					
Financial assets					
Other investments – unquoted equity securities	(a)	Available-for-sale	FVOCI – equity instruments	–	–
Other investments – unquoted fund investments	(b)	Available-for-sale	Mandatorily at FVTPL	1,106	1,106
Trade and other receivables	(c)	Loans and receivables	Amortised cost	30,833	30,833
Cash and cash equivalents	(c)	Loans and receivables	Amortised cost	1,560	1,560
Total financial assets				33,499	33,499

a) These equity investments represent investments that the Group and the Company intend to hold for the long term for strategic purposes. As permitted by SFRS(I) 9, the Group and the Company have designated these investments at the date of initial application as measured at FVOCI. Unlike FRS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

b) Under FRS 39, these unquoted fund investments were designated as available-for-sale because the Group and the Company intend to hold these investments for long term strategic purposes. These assets have been classified as mandatorily measured at FVTPL under SFRS(I) 9.

c) Trade and other receivables and cash and cash equivalents that were classified as loans and receivables under FRS 39 are now classified at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

30 Explanation of transition to SFRS(I) and adoption of new standards (Continued)

Notes to the reconciliations (Continued)

(ii) Impairment of financial assets

SFRS(I) 9 replaces the 'incurred loss' model in FRS 39 with an ECL model. The new impairment model applies to financial assets measured at amortised cost, but not to equity investments.

Under SFRS(I) 9, credit losses are recognised earlier than under FRS 39. For assets in the scope of the SFRS(I) 9 impairment model, impairment losses are generally expected to increase and become more volatile. The adoption of SFRS(I) 9 has not had a significant effect on the Group's and the Company's impairment allowance.

(iii) Transition impact on equity

The following table summarises the impact, net of tax, of transition to SFRS(I) 9 on reserves and retained earnings at 1 July 2018.

	Impact of adopting SFRS(I) 9 on opening balance	
	Group S$'000	**Company S$'000**
Fair value reserve		
Classification of fair value reserve to accumulated losses	60	60
Accumulated losses		
Classification of fair value reserve to accumulated losses	(60)	(60)

31 New standards and interpretations not yet adopted

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 July 2018 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new SFRS(I)s, interpretations and amendments to SFRS(I)s are effective for annual periods beginning after 1 July 2018:

Applicable to 2020 financial statements

- SFRS(I) 16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

31 New standards and interpretations not yet adopted (Continued)

Applicable to 2020 financial statements (Continued)

- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I) 1-23)

Mandatory effective date deferred

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to SFRS(I) 10 and SFRS(I) 1-28).

The Group has assessed the estimated impact that initial application of SFRS(I) 16 will have on the financial statements. The Group's assessment of SFRS(I) 16, which is expected to have a more significant impact on the Group, is as described below.

SFRS(I) 16

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group and the Company plan to apply SFRS(I) 16 initially on 1 July 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information. The Group and the Company plan to apply the practical expedient to grandfather the definition of a lease on transition. This means that they will apply SFRS(I) 16 to all contracts entered into before 1 July 2019 and identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

31 New standards and interpretations not yet adopted (Continued)

SFRS(I) 16 (Continued)

i. The Group and the Company as lessee

The Group and the Company expect to measure lease liabilities by applying a single discount rate to their office leases. Furthermore, the Group and the Company are likely to apply the practical expedient to recognise amounts of ROU assets equal to their lease liabilities at 1 July 2019. For lease contracts that contain the option to renew, the Group and the Company are expected to use hindsight in determining the lease term.

The Group and the Company expect their existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16.

The Group expects an increase in ROU assets and lease liabilities of S$470,000 as at 1 July 2019. No significant impact is expected for the Company's operating leases.

The nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge for ROU assets and interest expense on lease liabilities.

No significant impact is expected for the Group's and the Company's finance leases.

ii. The Group as lessor

SFRS(I) 16 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models respectively.

No significant impact is expected for other leases in which the Group is a lessor.

STATUS REPORT ON THE USE OF PROCEEDS

As at 31 August 2019

Pursuant to the undertaking by the Company dated 5 March 2019 to, *inter alia*, make periodic announcements on the utilisation of proceeds from the placement of shares in March 2019 and to provide a status report on the use of the proceeds from the 2019 Placement of Shares in the Company's Annual Report, the Directors wish to advise that further to the Company's announcements on 20 March 2019, 10 May 2019 and 29 August 2019, the proceeds of S$3,910,000/- from the 2019 Placement of Shares have been utilised as at 31 August 2019, being the latest practicable date prior to the printing of this Annual Report, as follows:–

Description	**Amount S$'000**
1. ICP Ltd general working capital	2,340
Total utilised from 2019 Placement of Shares by ICP Ltd as at 31 August 2019	2,340
Balance of proceeds held as fixed deposit at bank as at 31 August 2019	1,570

ANALYSIS OF ORDINARY SHAREHOLDINGS

as at 26 September 2019

Number of issued and paid up shares	:	3,111,689,122
Class of shares	:	Ordinary Shares
Voting rights	:	One vote for each ordinary share (excluding treasury shares and subsidiary holdings)
No. of treasury shares and percentage	:	Nil
No. of subsidiary holdings held and percentage	:	Nil

ANALYSIS OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	357	1.49	12,218	0.00
100 – 1,000	11,175	46.59	5,240,659	0.17
1,001 – 10,000	6,741	28.10	28,516,278	0.91
10,001 – 1,000,000	5,548	23.13	527,990,259	16.97
1,000,001 and above	166	0.69	2,549,929,708	81.95
	23,987	100.00	3,111,689,122	100.00

LIST OF TWENTY LARGEST SHAREHOLDERS

Name	No. of Shares	%
HSBC (Singapore) Nominees Pte Ltd	640,247,487	20.58
Raffles Nominees (Pte) Limited	478,835,800	15.39
UOB Kay Hian Pte Ltd	229,689,600	7.38
Phillip Securities Pte Ltd	212,631,657	6.83
Citibank Nominees Singapore Pte Ltd	134,951,076	4.34
DBS Nominees Pte Ltd	65,467,665	2.11
Ho Peng Cheong	48,900,000	1.57
Ng Choon Ngoi @ Ng Choon Ngo	47,603,900	1.53
CGS-CIMB Securities (Singapore) Pte Ltd	47,218,940	1.52
Zaheer K Merchant	35,895,800	1.15
Ong Kok Wah	35,600,000	1.14
Lau Yee Choo	33,200,000	1.07
United Overseas Bank Nominees Pte Ltd	30,078,937	0.97
Lim Hoon Min	27,550,000	0.89
Tay Lian Leong	21,000,000	0.67
Wu Chung Shou	21,000,000	0.67
Maybank Kim Eng Securities Pte. Ltd	17,170,866	0.55
Wong Kian Yeuan	16,387,600	0.53
Choo Ah Seng	16,247,000	0.52
OCBC Nominees Singapore Pte Ltd	11,029,070	0.35
	2,170,705,398	69.76

ANALYSIS OF ORDINARY SHAREHOLDINGS

as at 26 September 2019

SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders as at 26 September 2019

	Direct Interest		Deemed Interest	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**
Aw Cheok Huat[1]	–		647,627,900	20.8
CMIA Premier Advantage I Limited[2]	460,000,000	14.78	–	
Lee Chong Min[3]	–		460,000,000	14.78

Notes:

(1) Mr. Aw Cheok Huat is deemed to have an interest in (a) 640,243,300 shares registered in the name of The Hong Kong and Shanghai Banking Corporation Limited – Singapore Branch Private Banking Division; and (b) 7,384,600 shares registered in the name of Philip Securities Pte Ltd.

(2) CMIA Premier Advantage I Limited is wholly-owned by Mr. Lee Chong Min.

(3) Mr. Lee Chong Min owns 100% interest in CMIA Premier Advantage I Limited and is deemed to be interested in the 460,000,000 ordinary shares held by CMIA Premier Advantage I Limited by virtue of Section 4 of the Securities and Futures Act (Chapter 289) of Singapore.

PUBLIC FLOAT

Based on the information available to the Company as at 26 September 2019, approximately 60.02% 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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of ICP Ltd. (the "Company") will be held at RELC International Hotel, Room 506 and 507, 30 Orange Grove Road, Singapore 258352 on Tuesday, 29 October 2019 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 2019 together with the Auditors' Report thereon. **Resolution 1**

2. To re-elect Mr. Aw Ming-Yao Marcus*, who is retiring pursuant to Regulation 91 of the Company's Constitution. **Resolution 2**

3. To re-elect Mr. Koh Tien Gui*, who is retiring pursuant to Regulation 91 of the Company's Constitution. **Resolution 3**

   Mr. Koh Tien Gui 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. Koh will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

4. To note the retirement of Mr. Aw Cheok Huat as a Director and Non-Executive Chairman of the Company at the conclusion of this meeting.

5. To approve the payment of Directors' fees of S$113,761/- for the year ended 30 June 2019 (2018: S$125,000/-). **Resolution 4**

6. To note the retirement of Messrs KPMG LLP as Auditors of the Company.

7. To appoint Messrs Deloitte & Touche LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**
   [See Explanatory Note i]

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

* For details of their disclosure pursuant to Rule 720(5) of the Catalist Rules, please refer to pages 48 to 53 of the Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

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

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

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

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

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

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

(iii) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) issue shares in pursuance of any instruments made or granted by the Directors whilst this resolution was in force.

provided THAT:–

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

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

10. AUTHORITY TO ISSUE SHARES UNDER THE ICP PERFORMANCE SHARE PLAN **Resolution 7**

That the Directors be and are hereby authorised to grant Awards in accordance with the provisions of the ICP Performance Share Plan (the "Performance Share Plan") and to allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and issued pursuant to the vesting of Awards under the Performance Share Plan, provided that the aggregate number of Shares to be allotted and issued pursuant to the Performance Share Plan, when added to the number of Shares issued and/or issuable in respect of all options granted or awards granted under any other share-based incentive schemes adopted by the Company and for the time being in force, shall not exceed fifteen per cent. (15%) of the total issued and paid-up Shares (excluding treasury shares and subsidiary holdings) on the day preceding the date on which the Award shall be granted.
[See Explanatory Note iii]

11. RENEWAL OF SHARE PURCHASE MANDATE **Resolution 8**

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

(i) market purchase(s) (each a "Market Purchase") on the Singapore Exchange Securities Trading Limited (the "SGX-ST"); and/or

(ii) off-market purchase(s) (each an "Off-Market Purchase") effected otherwise than on the SGX-ST in accordance with an equal access scheme as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Listing Manual (Section B: Rules of Catalist) of the SGX-ST ("Catalist Rules") and the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the constitution of the Company and the Catalist Rules as may for the time being be applicable be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

NOTICE OF ANNUAL GENERAL MEETING

(b) That unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the proposed Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the Relevant Period (as hereinafter defined) and expiring on the earliest of:

(i) the conclusion of the next annual general meeting of the Company is held or date by which such annual general meeting is required by law to be held;

(ii) the date on which the share purchases are carried out to the full extent of the proposed Share Purchase Mandate; or

(iii) the date on which the authority contained in the proposed Share Purchase Mandate is varied or revoked;

(c) That for purposes of this ordinary resolution:

"**Maximum Limit**" means 10% of the total issued Shares of the Company as at the date of the passing of this ordinary resolution, unless the Company has effected a reduction of the share capital of the Company (other than a reduction by virtue of a share purchase) in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined) in which event the issued Shares of the Company shall be taken to be the total number of the issued Shares as altered by such capital reduction (the total number of Shares shall exclude any Shares that may be held as treasury shares by the Company from time to time);

"**Relevant Period**" means the period commencing from the date of the passing of this ordinary resolution and expiring on the earliest of the date on which the next annual general meeting of the Company is held or is required by law to be held, the date on which the share purchases are carried out to the full extent of the proposed Share Purchase Mandate, or the date the said mandate is revoked or varied by the Company in a general meeting;

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price (as hereinafter defined) of the Shares; and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the purchase, or acquisition; and

NOTICE OF ANNUAL GENERAL MEETING

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days (as hereinafter defined) on which the Shares are transacted on Catalist or, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the Offer Date (as hereinafter defined) pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five Market Day period;

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

"**Offer Date**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of the Shares to holders of the Shares, stating the purchase price (which shall not be more than the Maximum Price determined on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase;

(d) That the number of Shares which may in aggregate be purchased or acquired by the Company during the Relevant Period shall be subject to the Maximum Limit;

(e) That the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased by the Company, pursuant to the proposed Share Purchase Mandate in any manner as they think fit, which is permitted under the Companies Act; and

(f) That the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this ordinary resolution. [See Explanatory Note iv]

BY ORDER OF THE BOARD

SHIRLEY LIM GUAT HUA
Company Secretary

11 October 2019

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note:

i. For more information relating to Ordinary Resolution 5, please refer to Addendum relating to change of auditors dated 11 October 2019.

ii. The Ordinary Resolution 6 proposed in item 9 above, if passed, will authorise the Directors of the Company to issue shares in the capital of the Company up to an amount not exceeding in aggregate one hundred percent (100%) of the total number of issued shares in the capital of the Company, excluding treasury shares and subsidiary holdings, at the time of the passing of this resolution, of which the aggregate number of shares to be issued other than on a pro-rata basis to the shareholders of the Company does not exceed fifty percent (50%) of the total number of issued shares in the capital of the Company, excluding treasury shares and subsidiary holdings.

iii. The Ordinary Resolution 7 proposed in item 10 above, if passed, will empower the Directors to allot and issue shares in the Company of up to a number not exceeding in total fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the share capital of the Company from time to time pursuant to the vesting of Awards under the Performance Share Plan.

iv. The Ordinary Resolution 8 proposed in item 11 above, if passed, will renew the Share Purchase Mandate and will authorise the Directors to purchase or otherwise acquire Shares on the terms of the Share Purchase Mandate as set out in the Addendum. The rationale for the authority and limitation on the sources of funds to be used for the purchase or acquisition of Shares, including the amount of financing and the illustrative financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Group for the financial year ended 30 June 2019 are set out in greater detail in the Addendum enclosed together with the Annual Report.

Notes:

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

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

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

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

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

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

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

5. The instrument appointing a proxy must be deposited at the registered office of the Company at 10 Anson Road, #28-16 International Plaza, Singapore 079903 not less than seventy-two (72) hours before the time appointed for holding the Meeting.

PERSONAL DATA PROTECTION:

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

ICP LTD.

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

PROXY FORM –
ANNUAL GENERAL MEETING

IMPORTANT:

1. For investors who have used their CPF monies to buy ICP Ltd.'s Shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We, ______________________________ (Name) NRIC/Passport No. ______________

of ____ (Address)

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

Name	**NRIC/Passport Number**	**Proportion of Shareholding**	
		Number of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport Number**	**Proportion of Shareholding**	
		Number of Shares	**%**
Address			

as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the Annual General Meeting ("AGM") to be held at RELC International Hotel, Room 506 and 507, 30 Orange Grove Road, Singapore 258352, on Tuesday, 29 October 2019 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 directions as to voting are given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick "√" within the box provided. Alternatively, please indicate the number of votes as appropriate.)

No.	Resolutions relating to:	For	Against
	Ordinary Business		
1	Adoption of Directors' Statement and Audited Financial Statements for the year ended 30 June 2019 together with the Auditors' Report		
2	Re-election of Mr. Aw Ming-Yao Marcus as a Director		
3	Re-election of Mr. Koh Tien Gui as a Director		
4	Approval of Directors' fees amounting to S$113,761/- for the year ended 30 June 2019		
5	Appointment of Messrs Deloitte & Touche LLP as Auditors of the Company		
	Special Business:		
6	Approval for Authority to Allot and Issue Shares		
7	Authority to Issue Shares under the ICP Performance Share Plan		
8	Renewal of Share Purchase Mandate		

Dated this ________ day of ______________ 2019

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

____

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

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM OVERLEAF

NOTES:

1. Please insert the total number of Shares in the share capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

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

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

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

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

7. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 10 Anson Road, #28-16, International Plaza, Singapore 079903 not less than 72 hours before the time set for the Meeting.

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

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

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

11. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instruments appointing a proxy or proxies. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 October 2019.

INVESTMENT CAPITAL PARTNERS

ICP LTD.
ANNUAL REPORT FY2019

COMPANY REGISTRATION NO: 196200234E

10 ANSON ROAD, #28-16 INTERNATIONAL PLAZA, SINGAPORE 079903
T: +65 6221 4665