CIRCULAR DATED 15 AUGUST 2023

THIS CIRCULAR IS ISSUED BY ICP LTD. (THE "COMPANY"). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

If you are in any doubt about the Offer or the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled "Definitions" of this Circular.

The Company has opted for electronic despatch of this Circular. Please note that no printed copies of this Circular will be despatched to Shareholders. Only printed copies of the Notification Letter will be despatched to Shareholders.

If you have sold or transferred all your issued and paid-up ordinary shares in the capital of the Company ("**Shares**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s) which are not deposited with the CDP, you should immediately forward this Circular to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"). The Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr. Khong Choun Mun (email: sponsor@rhtgoc.com) at 36 Robinson Road, #10-06, City House, Singapore 068877.



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

CIRCULAR TO SHAREHOLDERS

in relation to the

MANDATORY CONDITIONAL CASH OFFER

by

STIRLING COLEMAN CAPITAL LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200105040N)

for and on behalf of

MR. AW CHEOK HUAT

to acquire all the issued and paid-up ordinary shares in the capital of the Company, excluding those already owned, controlled or agreed to be acquired by the Offeror

Independent Financial Adviser to the Independent Directors

ASIAN CORPORATE ADVISORS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No.: 200310232R)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER (AS DEFINED HEREIN) AT 5.30 P.M. (SINGAPORE TIME) ON 29 AUGUST 2023. THE OFFEROR DOES NOT INTEND TO EXTEND THE OFFER BEYOND 5.30 P.M. (SINGAPORE TIME) ON 29 AUGUST 2023. ACCORDINGLY, SHAREHOLDERS WHO WISH TO ACCEPT THE OFFER MUST DO SO BY SUCH TIME AND DATE.

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

"**Acceptance Forms**"	:	The FAA and/or the FAT (as the case may be)
"**Acquisition**"	:	The acquisition by the Offeror of 773,215,571 Shares, representing approximately 23.20% of the total issued Shares
"**Business Day**"	:	A day other than Saturday, Sunday or a public holiday on which commercial banks are open for business in Singapore
"**Catalist**"	:	The sponsor-supervised listing platform of the SGX-ST
"**Catalist Rules**"	:	SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 15 August 2023 issued by the Company to the Shareholders in relation to the Offer
"**Closing Date**"	:	5.30 p.m. (Singapore time) on 29 August 2023
"**Code**"	:	The Singapore Code on Take-overs and Mergers
"**Company**"	:	ICP Ltd.
"**Companies Act**"	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
"**Company Securities**"	:	(a) Shares, (b) securities which carry voting rights in the Company, or (c) convertible securities, warrants, options or derivatives in respect of (a) or (b)
"**Concert Parties**"	:	Parties acting or presumed to be acting in concert with the Offeror in connection with the Offer
"**Constitution**"	:	The Constitution of the Company, as amended, modified or supplemented from time to time
"**CPF**"	:	The Central Provident Fund
"**CPF Agent Banks**"	:	Agent banks included under the CPFIS
"**CPFIS**"	:	The Central Provident Fund Investment Scheme
"**CPFIS Investors**"	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
"**Desktop Valuation Reports**"	:	The desktop valuation reports prepared by: (a) Altech Maritime Consultants Pte. Ltd. dated 30 June 2023 in respect of Motor Tanker "Como"; and (b) Altech Maritime Consultants Pte. Ltd. dated 30 June 2023 in respect of Motor Tanker "Bayan", each as set out in Appendix VI to this Circular
"**Directors**"	:	The directors of the Company as at the Latest Practicable Date

"**FAA**"	:	Form of Acceptance and Authorisation for Offer Shares, which forms part of the Offer Document and which is issued to the Shareholders whose Shares are deposited with CDP
"**FAT**"	:	Form of Acceptance and Transfer for Offer Shares, which forms part of the Offer Document and which is issued to the Shareholders whose Shares are not deposited with CDP
"**FY**"	:	The financial year ended or ending 30 June
"**FY2020**"	:	Financial year ended 30 June 2020
"**FY2021**"	:	Financial year ended 30 June 2021
"**FY2022**"	:	Financial year ended 30 June 2022
"**Group**"	:	The Company and its subsidiaries
"**HY2023**"	:	Six (6) months ended 31 December 2022
"**IFA**"	:	Asian Corporate Advisors Pte. Ltd., the independent financial adviser to the Independent Directors in respect of the Offer
"**IFA Letter**"	:	The letter dated 15 August 2023 from the IFA to the Independent Directors containing its advice in relation to the Offer, as set out in Appendix I to this Circular
"**Independent Directors**"	:	The Directors who are considered to be independent for the purposes of the Offer, namely, Mr. Tan Kok Hiang, Mr. Koh Tien Gui and Mr. Ong Kok Wah
"**Independent Valuers**"	:	Altech Maritime Consultants Pte. Ltd. and Knight Frank Malaysia Sdn Bhd
"**Interested Person**"	:	As defined in the Note on Rule 24.6 of the Code read with the Note on Rule 23.12 of the Code, is: (a) a director, chief executive officer, or Substantial Shareholder of the Company; (b) the immediate family of a director, the chief executive officer, or a Substantial Shareholder (being an individual) of the Company; (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a Substantial Shareholder (being an individual) and his immediate family is a beneficiary; (d) any company in which a director, the chief executive officer or a Substantial Shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more; (e) any company that is the subsidiary, holding company or fellow subsidiary of the Substantial Shareholder (being a company); or (f) any company in which a Substantial Shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
"**Latest Practicable Date**"	:	1 August 2023, being the latest practicable date prior to the electronic despatch of this Circular, save that where parts of the Offer Document are

		reproduced, references to the "Latest Practicable Date" in such reproduction shall mean the Offer Document Latest Practicable Date
"**Market Day**"	:	A day on which the SGX-ST is open for securities trading
"**Notification Letter**"	:	The hardcopy notification letter posted to Shareholders by or on behalf of the Company on the date of this Circular, containing, *inter alia*, instructions on how to access the electronic copy of this Circular and related documents on SGXNET at www.sgx.com and the Company's corporate website at https://www.icp.com.sg/
"**Offer**"	:	The mandatory conditional cash offer made by SCCL, for and on behalf of the Offeror, to acquire the Offer Shares, on the terms and subject to the conditions set out in the Offer Document and the Acceptance Forms, as may be amended, extended or revised from time to time by or on behalf of the Offeror
"**Offer Announcement**"	:	The announcement relating to the Offer released by SCCL, for and on behalf of the Offeror, on the Offer Announcement Date
"**Offer Announcement Date**"	:	11 July 2023
"**Offer Document**"	:	The offer document dated 1 August 2023, including the Acceptance Forms, and any other document(s) which may be issued by the Offeror to amend, revise, supplement or update such document from time to time
"**Offer Document Latest Practicable Date**"	:	25 July 2023, being the latest practicable date prior to the electronic despatch of the Offer Document as stated in the Offer Document
"**Offer Price**"	:	S$0.007 in cash for each Offer Share
"**Offer Shares**"	:	All the Shares in issue, excluding those already owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer
"**Offeror**"	:	Mr. Aw Cheok Huat
"**Overseas Shareholders**"	:	Shareholders and Depositors holding Shares through CDP, whose addresses are outside Singapore as shown in the Register or in the Depository Register (as the case may be)
"**Register**"	:	The register of members of the Company, as maintained by the Share Registrar
"**SCCL**"	:	Stirling Coleman Capital Limited
"**SFA**"	:	Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
"**SGXNET**"	:	Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Share Registrar**"	:	B.A.C.S. Private Limited
"**Shareholders**"	:	Holders of Shares, including persons whose/which Shares are deposited with

		CDP or who/which have purchased Shares on the SGX-ST
"**Shares**"	:	Issued and paid-up ordinary shares in the capital of the Company
"**SIC**"	:	Securities Industry Council of Singapore
"**SRS**"	:	The Supplementary Retirement Scheme
"**SRS Agent Banks**"	:	Agent banks included under the SRS
"**SRS Investors**"	:	Investors who have purchased Shares using their SRS contributions pursuant to the SRS
"**Substantial Shareholder**"	:	A person who has an interest or interests in one or more voting Shares (excluding Treasury Shares) and the total votes attached to that Share, or those Shares, is not less than five per cent. (5%) of the total votes attached to all the voting Shares (excluding Treasury Shares)
"**Valuation Certificate**"		The valuation certificate prepared by Knight Frank Malaysia Sdn Bhd dated 11 August 2023 in respect of Travelodge Chinatown Kuala Lumpur, located at No. 7, Jalan Hang Kasturi, City Centre, 50050 Kuala Lumpur, as set out in Appendix VII of this Circular

Currencies and Units of Measurement

"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
"**per cent.**" Or "**%**"	:	Per centum or percentage

Acting in Concert. Unless otherwise defined, the term "**acting in concert**" shall have the meaning ascribed to it in the Code.

Associate. The term "**associate**" shall have the meaning ascribed to it in the Catalist Rules.

Capitalised terms in the extracts. Capitalised terms used in the extracts of the Offer Document, the IFA Letter, the Constitution, the Valuation Certificate and the Desktop Valuation Reports shall bear the same meanings as attributed to them in the Offer Document, the IFA Letter, the Constitution, the Valuation Certificate and the relevant Desktop Valuation Report respectively, unless otherwise specified.

Depositor, Depository Agent and Depository Register. The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Gender. Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Headings. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Rounding. Any discrepancies in the figures included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown in the totals of the figures in this Circular may not be an arithmetic aggregation of the figures that precede them.

Shareholders. References to "**you**", "**your**" and "**yours**" in this Circular are, as the context so determines, to the Shareholders.

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules, the Code or any

statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to that word under the Companies Act, the SFA, the Catalist Rules, the Code or any such statutory modification thereof, as the case may be, unless the context otherwise requires.

Subsidiaries and related corporations. The terms "**subsidiary**" and "**related corporation**" shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Treasury Shares. The term "**Treasury Shares**" shall have the meaning ascribed to it in Section 4 of the Companies Act.

Time and date. Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date, unless otherwise specified.

Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Constitution are set out in this Circular within quotes and in italics and all capitalised terms and expressions used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter and the Constitution respectively.

Any reference in this Circular to the total number of Shares is a reference to a total of 3,332,944,326 Shares in issue as at the Latest Practicable Date. Unless otherwise specified, all references to percentage shareholdings in the capital of the Company in this Circular are based on 3,332,944,326 Shares in the issued share capital of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, the Company has no Treasury Shares.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "**expect**", "**anticipate**", "**believe**", "**estimate**", "**intend**", "**project**", "**plan**", "**strategy**", "**forecast**" and similar expressions or future or conditional verbs such as "**if**", "**will**", "**would**", "**should**", "**could**", "**may**" and "**might**". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements.

Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA guarantees any future performance or event, or undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations, the Code, the Catalist Rules and/or any other regulatory or supervisory body or agency.

INDICATIVE TIMELINE

Date of despatch of Offer Document	:	1 August 2023
Date of despatch of this Circular	:	15 August 2023
Closing Date[(1)]	:	5:30 p.m. (Singapore time) on 29 August 2023
Date of settlement of consideration for valid acceptances of the Offer[(2)]	:	(a) in respect of acceptances of the Offer which are complete and valid in all respects and are received on or before the date on which Offer becomes or is declared to be unconditional, within seven (7) Business Days of such date; or (b) in respect of acceptances of the Offer which are complete and valid in all respects and are received after the Offer becomes or is declared to be unconditional, but before the Offer closes, within seven (7) Business Days of the date of such receipt

Notes:

(1) Please refer to paragraph 1.1 of Appendix A to the Offer Document for further details.

(2) Please refer to paragraph 2 of Appendix A to the Offer Document for further details.

LETTER TO SHAREHOLDERS

ICP LTD.

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

Board of Directors:		**Registered Address:**
Mr. Tan Kok Hiang	*(Independent Non-Executive Chairman)*	6 Temasek Boulevard
Mr. Aw Ming-Yao Marcus	*(Executive Director)*	#23-01
Mr. Koh Tien Gui	*(Independent Director)*	Suntec Tower Four
Mr. Ong Kok Wah	*(Independent Director)*	Singapore 038986

15 August 2023

To: The Shareholders of ICP Ltd.

Dear Sir/Madam

MANDATORY CONDITIONAL CASH OFFER BY SCCL, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES

1. INTRODUCTION

1.1 Offer Announcement

On the Offer Announcement Date, SCCL announced, for and on behalf of the Offeror, *inter alia*, that the Offeror intends to make the Offer, in accordance with Section 139 of the SFA and Rule 14 of the Code.

A copy of the Offer Announcement is available on the SGXNET at www.sgx.com and the Company's corporate website at https://www.icp.com.sg/.

1.2 Offer Document

Shareholders should by now have received a copy of the Offer Document and the relevant Acceptance Forms, which set out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Section 2, Section 4 and Appendix A of the Offer Document.

Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.

A copy of the Offer Document is available on the SGXNET at www.sgx.com and the Company's corporate website at https://www.icp.com.sg/.

1.3 IFA

The Company has appointed Asian Corporate Advisors Pte. Ltd. as the IFA to advise the Independent Directors in respect of the Offer. The advice of the IFA is set out in the IFA Letter in Appendix I to this Circular.

1.4 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter carefully and consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer before deciding whether or not to accept or reject the Offer.

If you are in any doubt about the Offer or the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

2. THE OFFER

2.1 Principal Terms

The principal terms and conditions of the Offer are set out in Section 2 of the Offer Document, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

2. TERMS OF THE OFFER

2.1 Offer Price

For and on behalf of the Offeror, SCCL hereby makes the Offer, in accordance with Section 139 of the SFA and Rule 14 of the Code, and subject to the terms and conditions of this Offer Document, for all the Offer Shares on the following basis:

S$0.007 in cash for each Offer Share ("Offer Price")

2.2 Offer Shares

*The Offer will be extended, on the same terms and conditions, to all of the Shares in issue, excluding those already owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer ("**Offer Shares**").*

2.3 No Encumbrances

The Offer Shares will be acquired:

(a) validly issued and fully paid;

(b) free from all mortgages, assignments, debentures, liens, hypothecation, charges, pledges, adverse claims, rent-charge, title retention, claims, equity, options, encumbrances, pre-emption rights, rights to acquire, security agreement and security interest or other rights of whatever nature; and

*(c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including all voting rights and the right to receive and retain all dividends, rights, return of capital and/or other distributions ("**Distribution**") (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date.*

If any Distribution is announced, declared, paid or made by the Company on or after the Offer Announcement Date, depending on the settlement date in respect of the Offer Shares tendered in acceptance of the Offer, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such Distribution.

2.4 Conditional Offer

The Offer is conditional upon the Offeror having received, by the close of the Offer, valid

*acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and his Concert Parties (whether before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and his Concert Parties holding more than 50% of the total Shares (excluding treasury Shares) as at the close of the Offer ("**Acceptance Condition**").*

Save for the Acceptance Condition, the Offer is unconditional in all other respects.

2.2 **Duration of the Offer**

The duration of the Offer is set out in Section 3 of the Offer Document, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

3. DURATION OF THE OFFER

The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

The Offer will close at 5.30 p.m. on 29 August 2023, being the Closing Date. The Offeror does not intend to extend the Offer beyond 5.30 p.m. on 29 August 2023 and the Offer will not be open for acceptances beyond 5.30 p.m. on 29 August 2023.

Accordingly, notice is hereby given that the Offer will close at 5.30 p.m. on 29 August 2023 and will not be open for acceptances beyond 5.30 p.m. on 29 August 2023.

Shareholders should note that as stated in the Offer Document, the Offer will close at 5:30 p.m. (Singapore time) on the Closing Date (i.e., 29 August 2023), and the Offeror has given notice in the Offer Document that the Offeror does not intend to extend the Offer beyond 5.30 p.m. (Singapore time) on the Closing Date and the Offer will not be open for acceptances beyond 5.30 p.m. (Singapore time) on the Closing Date.

2.3 **Further Details on the Offer**

Further details on the Offer, in relation to (a) the settlement of the consideration for the Offer, (b) the requirements relating to the announcement of the level of acceptances of the Offer, and (c) the right of withdrawal of acceptances of the Offer are set out in Paragraphs 2, 3 and 4 of Appendix A to the Offer Document, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

2. SETTLEMENT FOR THE OFFER

2.1 Mode of settlement

Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms and the receipt by the Offeror from accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete and valid in all respects and in accordance with the requirements set out in this Offer Document and the FAA and/or FAT (as the case may be), and in the case of Depositors, the receipt by the Offeror of confirmations satisfactory to it that the number of Offer Shares tendered by the accepting Shareholders in acceptance of the Offer are standing to the credit of the "Free Balance" of their respective Securities Accounts at the

*relevant time, remittances for the appropriate amounts will be despatched, pursuant to Rule 30 of the Code, to accepting Shareholders (or, in the case of Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by means of (in the case of Depositors) credit directly into the Depositor's designated bank account for Singapore Dollars via CDP's Direct Crediting Service ("**DCS**") in the case of Depositors who are subscribed to CDP's DCS or (in the case of Shareholders holding share certificate(s) which are not deposited with CDP) a S$ crossed cheque drawn on a bank in Singapore and sent by ordinary post to the address stated in the respective FATs or, if none is set out, to the respective addresses maintained in the Register, at the risk of the accepting Shareholders, as soon as practicable and in any case:*

(a) in respect of acceptances of the Offer which are complete and valid in all respects and are received on or before the date on which the Offer turns or is declared unconditional, within seven (7) Business Days of that date; or

(b) in respect of acceptances which are complete and valid in all respects and are received after the Offer turns or is declared unconditional, but before the Offer closes, within seven (7) Business Days of the date of such receipt.

In the event an accepting Shareholder who is a Depositor is not subscribed to CDP's DCS, any monies to be paid shall be credited to such accepting Shareholder's Cash Ledger and be subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein).

3. ANNOUNCEMENTS

3.1 Timing and Contents

*Pursuant to Rule 28.1 of the Code, by 8.00 a.m. (Singapore) time on the dealing day ("**Relevant Day**") immediately after the day on which the Offer is due to expire, or becomes or is declared to be unconditional as to acceptances, or is revised (if applicable), the Offeror will announce and simultaneously inform the SGX-ST of the total number of Shares (as nearly as practicable):*

(a) for which valid acceptances of the Offer have been received;

(b) held by the Offeror and any of his Concert Parties before the Offer Period; and

(c) acquired or agreed to be acquired by the Offeror and any of his Concert Parties during the Offer Period,

and will specify the percentages of the total number of Shares represented by such numbers.

3.2 Suspension

*Under Rule 28.2 of the Code, if the Offeror is unable, within the time limit, to comply with any of the requirements of paragraph 3.1 (Timing and Contents) of this **Appendix A**, the SIC will consider requesting the SGX-ST to suspend dealings in the Shares until the relevant information is given.*

3.3 Valid Acceptances

Subject to paragraph 16.4 (Valid Acceptances) of this Offer Document, in computing the number of Offer Shares represented by acceptances received by the Offeror, the Offeror will, at the time of making an announcement, take into account acceptances which are valid in all respects.

Acceptances of the Offer will only be treated as valid for the purposes of the Acceptance Condition if the relevant requirements of Note 2 on Rule 28.1 of the Code are met.

3.4 Announcements

In this Offer Document, references to the making of any announcement or the giving of notice by the Offeror include the release of an announcement by SCCL, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, telefax, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

4. RIGHT OF WITHDRAWAL IN RELATION TO THE OFFER

4.1 Acceptances Irrevocable

Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable.

4.2 Right of Withdrawal of Shareholders

A Shareholder who has accepted the Offer may:

(a) withdraw his acceptance immediately if the Offer has become or been declared to be unconditional but the Offeror fails to comply with any of the requirements set out in paragraph 3.1 (Timing and Contents) of this ***Appendix A*** *by 3.30 p.m. (Singapore time) on the Relevant Day. Subject to Rule 22.9 of the Code, the Offeror may terminate this right of withdrawal not less than eight days after the Relevant Day by confirming (if that be the case) that the Offer is still unconditional as to acceptances and by complying with Rule 28.1 of the Code and the requirements set out in paragraph 3.1 (Timing and Contents) of this* ***Appendix A****; and*

(b) withdraw his acceptance immediately if a competing offer becomes or is declared unconditional as to acceptances. This right of withdrawal also applies in the converse situation i.e. if the Offer becomes or is declared unconditional, a Shareholder who has accepted a competing offer may likewise withdraw his acceptance for such competing offer immediately.

4.3 Procedure for Withdrawal of Acceptances

To withdraw his acceptance, a Shareholder who has accepted the Offer must give written notice to the Offeror:

(a) ***Mr. Aw Cheok Huat c/o The Central Depository (Pte) Limited at Robinson Road Post Office, P.O. Box 1984, Singapore 903934, where the Offer Shares are deposited with the CDP; and***

(b) ***Mr. Aw Cheok Huat c/o B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, where the Offer Shares are not deposited with CDP.***

A notice of withdrawal shall be effective only if signed by the accepting Shareholder or his agent duly appointed in writing and evidence of whose appointment is produced in a form satisfactory to the Offeror within the said notice and when actually received by the Offeror.

2.4 **Procedures for Acceptance**

The procedures for acceptance of the Offer are set out in Section 5 and Appendix B to the Offer Document and in the accompanying Acceptance Forms.

3. INFORMATION ON THE OFFEROR

Section 6 of the Offer Document sets out certain information on the Offeror, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

6. INFORMATION ON THE OFFEROR

The Offeror is a businessman and a controlling shareholder of the Company. The Offeror's address is at c/o 10 Anson Road #29-14 International Plaza Singapore 079903.

As the Offeror is an individual, the requirements on financial disclosures relating to companies as set out in the Code will not be applicable to him.

4. NO IRREVOCABLE UNDERTAKINGS

Section 11.2 of the Offer Document sets out certain information in relation to irrevocable undertakings received by the Offeror, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

11. DISCLOSURE OF HOLDINGS, DEALINGS AND OTHER ARRANGEMENTS IN RELEVANT SECURITIES

11.2 Other Arrangements in respect of the Company Securities

Based on responses received pursuant to enquiries that the Offeror has made, as at the Latest Practicable Date, none of the Relevant Persons have:

(a) entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code with any person, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to any Company Securities which may be an inducement to deal or refrain from dealing;

(b) received any irrevocable commitment to accept or reject the Offer in respect of any Company Securities;

(c) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise;

(d) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or

(e) lent any Company Securities to another person.

5. RATIONALE FOR THE OFFER

Section 8.1 of the Offer Document sets out the rationale for the Offer, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

8. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

8.1 Compliance with the Code

The Offer is made solely to comply with the Code arising from the Acquisition.

6. OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

Section 8.2 of the Offer Document sets out the Offeror's intentions in relation to the Company, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

8. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

8.2 Intention for the Company

There is currently no intention to (a) introduce any major changes to the existing businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of the employees of the Group, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options in relation to the Group which may present themselves and which they may regard to be in the interest of the Offeror.

7. LISTING STATUS AND COMPULSORY ACQUISITION

Section 9 of the Offer Document sets out the Offeror's intentions in relation to the listing status of the Company and its rights of compulsory acquisition in respect of the Company, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

9. LISTING STATUS AND COMPULSORY ACQUISITION

9.1 Listing Status

Under Rule 1104 of the Catalist Rules, upon the announcement by the Offeror that valid acceptances have been received, pursuant to the Offer, that bring the holdings of the Shares owned by the Offeror and parties acting or deemed to be acting in concert with the Offeror to above 90% of the total number of issued Shares (excluding any treasury Shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until it is satisfied that at least 10% of the total number of issued Shares (excluding treasury Shares) are held by at least 200 Shareholders who are members of the public.

Under Rule 1303(1) of the Catalist Rules, where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding treasury Shares), thus causing the percentage of the total number of issued Shares (excluding treasury Shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares at the close of the Offer.

Shareholders are advised to note that Rule 723 of the Catalist Rules requires the Company to ensure that at least 10% of the total number of issued Shares (excluding treasury Shares) is at all times held by the public. In addition, under Rule 724(1) of the Catalist Rules, if the percentage of the total number of issued Shares (excluding treasury Shares) held in public hands falls below 10%, the Company must, as soon as practicable, notify its sponsor and announce that fact, and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Catalist Rules further states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

9.2 Compulsory Acquisition

*Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer and/or acquires such number of Offer Shares at the close of the Offer in respect of not less than 90% of the total number of issued Shares (excluding treasury Shares and other than those already held as at the date of the Offer by the Offeror and its related corporations (or their respective nominees) or any person or body corporate falling within the meaning of Section 215(9A) of the Companies Act), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer ("**Dissenting Shareholders**") on the same terms as those offered under the Offer.*

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror acquires, pursuant to the Offer, such number of Shares which, together with treasury Shares and the Shares held by the Offeror and its related corporations (or their respective nominees) and any person or body corporate falling within the meaning of Section 215(9A) of the Companies Act, comprise 90% or more of the total number of issued Shares as at the close of the Offer. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

It is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST following completion of the Offer. *Accordingly, the Offeror, if and when entitled, does not intend to exercise his rights of compulsory acquisition under Section 215(1) of the Companies Act to acquire those Offer Shares not acquired by the Offeror pursuant to the Offer, or to delist the Company from the SGX-ST pursuant to the Catalist Rules. In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or Rule 1104 of the Catalist Rules, the Offeror intends to undertake and/or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted.*

8. FINANCIAL EVALUATION

Section 10 of the Offer Document sets out certain information on the financial aspects of the Offer, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

10. FINANCIAL EVALUATION OF THE OFFER

*The Offer Price represents the following **DISCOUNT TO** the historical transacted prices of the Shares on the SGX-ST:*

Description	***Benchmark Price (S$)[(1)]***	***Discount to the Benchmark Price (%)[(2)]***
*For the period prior to and ending on 10 July 2023 (the "**Last Trading Date**", being the last full day of trading in the Shares prior to the Acquisition on 11 July 2023)*		
Last transacted price per Share as quoted on the SGX-ST on the Last Trading Date	*0.0080*	*12.50*
VWAP per Share for the one-month period up to and including the Last Trading Date	*0.0093*	*24.73*
VWAP per Share for the three-month period up to and including the Last Trading Date	*0.0099*	*29.29*
VWAP per Share for the six-month period up to and including the Last Trading Date	*0.0098*	*28.57*

VWAP per Share for the twelve-month period up to and including the Last Trading Date	*0.0098*	*28.57*
For the period from the Offer Announcement Date up to and including the Latest Practicable Date on 25 July 2023		
VWAP per Share from the Offer Announcement Date up to and including the Latest Practicable Date	*0.0072*	*2.78*
Last transacted price per Share as quoted on the SGX-ST on the Latest Practicable Date	*0.0070*	*0.00*

***Notes**:*

(1) Based on data extracted from Bloomberg L.P. and with the figures rounded to the nearest four (4) decimal places.

(2) Percentage figures have been rounded to the nearest two (2) decimal places.

*The Offer Price represents a **DISCOUNT** of approximately 8.7% to the latest publicly available net asset value ("**NAV**") per Share of S$0.0077[1] as at 31 December 2022, or an Offer Price to NAV multiple of 0.91 times.*

*The Offer Price represents a **PREMIUM** of approximately 27.6% to the latest publicly available net tangible asset ("**NTA**") per Share of S$0.0055[2] as at 31 December 2022, or an Offer Price to NTA multiple of 1.28 times.*

[1] Based on the latest unaudited NAV attributable to Shareholders as at 31 December 2022 and the total number of issued Shares of 3,332,944,326 Shares in issue as at the Latest Practicable Date.
[2] Based on the latest unaudited NTA attributable to Shareholders as at 31 December 2022 and the total number of issued Shares of 3,332,944,326 Shares in issue as at the Latest Practicable Date.

9. DISCLOSURES OF INTERESTS

Section 11.1 of the Offer Document sets out certain information relating to disclosure of holdings and dealings, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

11. DISCLOSURE OF HOLDINGS, DEALINGS AND OTHER ARRANGEMENTS IN RELEVANT SECURITIES

11.1 Holdings and dealings in the Company Securities

Save as disclosed in this Offer Document (in particular, but without limitation, in Appendix D of this Offer Document), and based on responses received pursuant to enquiries that the Offeror has made, as at the Latest Practicable Date, none of the Offeror, his Concert Parties and SCCL (as financial adviser to the Offeror in connection with the Offer) ("Relevant Persons"):

(a) owns, controls or has agreed to acquire any Company Securities; or

(b) has dealt for value in any Company Securities during the Reference Period.

11.2 Other Arrangements in respect of the Company Securities

[1] Based on the latest unaudited NAV attributable to Shareholders as at 31 December 2022 and the total number of issued Shares of 3,332,944,326 Shares in issue as at the Latest Practicable Date.

[2] Based on the latest unaudited NTA attributable to Shareholders as at 31 December 2022 and the total number of issued Shares of 3,332,944,326 Shares in issue as at the Latest Practicable Date.

Based on responses received pursuant to enquiries that the Offeror has made, as at the Latest Practicable Date, none of the Relevant Persons have:

(a) entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code with any person, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to any Company Securities which may be an inducement to deal or refrain from dealing;

(b) received any irrevocable commitment to accept or reject the Offer in respect of any Company Securities;

(c) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise;

(d) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or

(e) lent any Company Securities to another person.

10. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Shares as at the Latest Practicable Date are set out in Appendix II to this Circular.

11. CONFIRMATION OF FINANCIAL RESOURCES

Section 12 of the Offer Document sets out certain information on the confirmation of financial resources, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

12. CONFIRMATION OF FINANCIAL RESOURCES

SCCL, as the financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offer Shares on the basis of the Offer Price.

12. ADVICE AND RECOMMENDATIONS IN RELATION TO THE OFFER

12.1 General

Shareholders should read and consider carefully the advice of the IFA to the Independent Directors in respect of the Offer as set out in Appendix I to this Circular and the recommendation of the Independent Directors to the Shareholders as set out in Section 13 of this Circular, before deciding whether to accept or reject the Offer.

12.2 Key factors taken into consideration by the IFA

The key factors relied upon by the IFA in arriving at its advice to the Independent Directors are set out in paragraphs 7 and 8 and summarised in paragraph 9 of the IFA Letter.

Shareholders should read and consider carefully the key factors relied upon by the IFA in arriving at its advice to the Independent Directors, in conjunction with, and in the context of, the full text of the IFA Letter.

12.3 **Advice of the IFA to the Independent Directors**

The advice of the IFA to the Independent Directors in respect of the Offer is set out in Appendix I to this Circular. Taking into consideration the factors set out in the IFA Letter and the information available to the IFA as at the Latest Practicable Date and subject to the qualifications and assumptions set out in the IFA Letter, the IFA has made its recommendations to the Independent Directors in respect of the Offer as set out in paragraph 9 of the IFA Letter, an extract of which is set out in italics below.

Shareholders should read the extract in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise stated, all terms and expressions used in the extract below shall have the same meanings as ascribed to them in the IFA Letter.

In summary, having regard to our analysis and the consideration in this Letter (including, inter alia, its limitation and constraints) and after having considered carefully the information available to us and based on market, economic and other relevant considerations prevailing as at the Latest Practicable Date, and subject to our terms of reference, as well as the representation and confirmation from the Directors, we are of the opinion that, in the absence of an alternative offer, the financial terms of the Offer is, on balance, ***NOT FAIR*** *and* ***NOT REASONABLE****.*

For the purposes of evaluation of the Offer from a financial point of view, we have adopted the approach that the term "fair and reasonable" comprises two distinct concepts:

(i) Whether the Offer is "fair" relates to the value of the offer price which is based strictly on the evaluation of the Offer Price (i.e. by looking at the financial or fundamental analyses of the Offer Price as set out in this Letter and based on information known to us or which is publicly available).

(ii) Whether the Offer is "reasonable", after taking into consideration the actual and potential financial impact of other circumstances surrounding the Offer and the Company which we consider relevant (being both quantitative and qualitative factors available and made known to us).

Though the valuation of the Group (as implied by the Offer Price) appears to be favourable as compared to the Selected Comparable Companies, we consider the financial terms of the Offer to be ***NOT FAIR*** *from a financial point of view after considering, inter alia, the following factors which are significant for the Offer: -*

(i) The ratios of the Offer Price to the Group's Adjusted NAV per Share or the Group's RNAV per Share are lower than both the median and the simple average for the historical daily trailing P/NAV ratios for all periods for the last 12 months prior to the Last Trading Day. Though the Offer Price is at a premium to the RNTA per Share, the ratio of the Offer Price to the RNTA is generally much lower than the historical daily trailing P/NTA ratios for all periods for the last 12 months prior to the Last Trading Day.

(ii) Whilst the valuation of the Group (as implied by the Offer Price) appears to be favourable in terms of LTM EV/EBITDA, LTM PER, P/NAV and P/NTA (based on the Group's RNAV and RNTA per Share) as compared to the Selected Comparable Companies, it is unfavourable when compared to its historical daily trailing P/NAV and P/NTA. Further, there are as described in this Letter, limitations in the use of trading statistics mentioned above for the Selected Comparable Companies. Our evaluation which is based on, inter alia, the historical daily trailing P/NAV and P/NTA ratios, RNAV and RNTA per Share (which were determined on the basis of recent valuations performed for, inter alia, the income generating assets (being the two Vessels and the Hotel Property) and takes into account the specific factors for each of these assets), indicates that the Offer undervalues the Shares.

(iii) The Offer Price is at a significant discount of approximately 16.7% to 27.1% from the range of the Estimated Value per Share of between approximately S$0.0084 to S$0.0096.

(iv) Unfavourable comparison with the Selected Non-Privatisation MGO Transactions in terms of the

premiums over historical prices for the Shares when considered in the context of the shareholdings or potential shareholdings of the Offeror and his Concert Parties as set out in the Offer Announcement and the Offer Document, which is within the range, but lower than both the median and the simple average for the percentage of shareholding interest for each of the offeror and the parties acting in concert (including the undertaking shareholders) as at the start for the Selected Non-Privatisation MGO Transactions. The Offer Price does not take into account the fact that generally a premium is expected to be paid for statutory control pursuant to a mandatory general offer and one that is conditional at the onset as shown in Section 7.4 of this Letter.

We consider the financial terms of the Offer to be, on balance, ***NOT REASONABLE****, from a financial point of view after factoring, inter alia, the following: -*

(i) The Offer Price is at substantial discount from the historical market prices for the Shares considering, inter alia, that (a) the Offer Price is at a discount of approximately 28.6%, 28.6%, 29.3% and 24.7% from the VWAP for the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Last Trading Day respectively; (b) the Offer Price is at a substantial discount of approximately 41.7% from the highest transacted prices for the Shares for each of the 12-month, 6-month, 3-month and 1-month periods prior to the Last Trading Day respectively; and (c) the Offer Price is at a discount of approximately 22.2% from the last transacted price on the SGX-ST on 11 July 2023, being the Offer Announcement Date. The discounts implied by the Offer Price from the historical VWAPs, the highest transacted prices and the last transacted price for the Shares on the Offer Announcement Date are significant factors when compared to the fact that the Offer Price represents a discount of 2.3% from the VWAP for the Shares for the period after the Offer Announcement Date to the Latest Practicable Date and is in line with the last transacted price for the Shares on the Latest Practicable Date (both of which reflects transactions after the Offer Announcement and may be affected by the Offer).

(ii) Unfavourable comparison with the Selected Non-Privatisation MGO Transactions in terms of the premiums over historical prices for the Shares. The Offer Price does not take into account the fact that generally a premium is expected to be paid for statutory control pursuant to a mandatory general offer and one that is conditional at the onset as shown in Section 7.4 of this Letter.

This is notwithstanding that as stated in the Offer Document, the Offeror and his Concert Parties have an aggregate direct and indirect interests of 1,522,739,471 Shares (including Shares held by the Offeror and his Concert Parties), representing approximately 45.69% of the total number of Shares as the interest in this case is lower than the median of the interests held by the offerors and their concert parties for the Selected Non-Privatisation MGO Transactions at the onset of the takeovers wherein premiums over historical prices were recorded. The Offeror and his Concert Parties do not yet have statutory control of the Company as at the Latest Practicable Date, although, inter alia, the aggregate percentage of interests of the Offeror and his Concert Parties is close to the required percentages.

(iii) The Offer Price is in line with the lowest transacted price for the 12-month period prior to the Last Trading Day for only one Market Day. During the said period, the transacted prices for the Shares were always higher than the Offer Price for 249 Market Days out of the total 250 Market Days (including those Market Days whereby there were substantial transactions which did not result in a "transfer of statutory control" and did not trigger any mandatory takeover offer).

(iv) The Offer Price appears to undervalue the Company as compared with the Proposed Placement Price and the Issue Price for the issuance of Consideration Shares for the MHI Acquisition in terms of the absolute terms, the premiums over the relevant VWAP for the Shares prior to their respective announcement, and the implied P/NAV and P/NTA ratios.

ACA's Recommendation on the Offer

Based on our assessment of the financial terms of the Offer as set out above, we advise the Independent

*Directors that they should recommend the Shareholders to **REJECT** the Offer.*

Shareholders should also be aware and note that there is no assurance that the price and trading volume of the Shares will remain at current levels after the close of the Offer and the current price performance and trading volume of the Shares is not indicative of the future price performance or trading levels of the Shares. The price and trading volume of the Shares are subject to, inter alia, the performance and prospects of the Company, prevailing economic conditions, economic outlook and stock market conditions and sentiments.

Accordingly, our advice on the Offer does not and cannot take into account future trading activities or patterns or price levels that may be established for the Shares after the Latest Practicable Date since these are governed by factors beyond the ambit of our review and also, such advice, if given, would not fall within our terms of reference in connection with the Offer.

Matters to highlight

We would also wish to highlight the following matters which may affect the decisions or actions of Shareholders: –

1. *If the Shareholders are considering selling their Offer Shares in the open market, they should be aware that the current market prices and trading volumes for the Shares may have been supported by the Offer and may not be maintained at current levels when the Offer closes. It should be noted that for the period commencing on the Market Day immediately after the Last Trading Day to the Latest Practicable Date, the closing prices of the Shares were higher than the Offer Price for 1 Market Day out of the total 15 Market Days and equivalent to the Offer Price for 14 Market Days out of the total 15 Market Days and the Offer Price is in line with the last transacted price of S$0.007 per Share on the SGX-ST on 1 August 2023, being the Latest Practicable Date.*

2. *The Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert with the Offeror (whether before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and persons acting in concert with the Offeror holding more than 50% of the total Shares (excluding treasury Shares) as at the close of the Offer.*

3. *Whilst the possibility of a higher offer from a third party cannot be ruled out, as at the Latest Practicable Date, we are not aware of any publicly available evidence of an alternative offer for the Shares. Shareholders should be aware that the chances of such an alternative offer for Shares being made by a third party may be affected by the fact that as at 25 July 2023 (being the latest practicable date of the Offer Document), the Offeror and his Concert Parties collectively hold 1,522,739,471 Shares, representing approximately 45.69% of the total number of issued Shares, which is close to the percentages required for statutory control.*

4. *Whilst the Offer may present an opportunity for the Shareholders to realise their entire investment for cash in view of the low liquidity of the Shares (in terms of number of Shares traded on daily basis) during the periods observed prior to the Offer Announcement Date, the Offer Price is in general at a significant discount to the historical traded prices or VWAP for the Shares and does not take into account the fact that generally a premium is expected to be paid for control pursuant to a mandatory general offer and one that is conditional at the onset.*

5. *The Offer is made solely to comply with the Code arising from the Acquisition.*

6. *It is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST following completion of the Offer. Accordingly, the Offeror, if and when entitled, does not intend to exercise his rights of compulsory acquisition under Section 215(1) of the Companies Act to acquire those Offer Shares not acquired by the Offeror pursuant to the Offer, or to delist the*

Company from the SGX-ST pursuant to the Catalist Rules. In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or Rule 1104 of the Catalist Rules, the Offeror intends to undertake and/or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted.

7. *The Directors confirmed that, to the best of their knowledge, as at the Latest Practicable Date and save for matters disclosed in the Circular, this Letter, the Group's the unaudited financial statements for HY2023 and the audited financial statements for FY2022, and the Company's announcements on the SGXNET, there has been no material changes to the Group's assets and liabilities, financial position, condition and performance.*

8. *Our scope does not require us and we have not made any independent evaluation (including without limitation, market value or economic potential) or appraisal of the Group's assets and liabilities (including without limitation, property, plant and equipment) or contracts entered into or to be entered into by the Group (where applicable) and save for the Independent Valuation Reports, we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into (where applicable) by the Group.*

   With respect to such valuation, we are not experts in the evaluation or appraisal of assets and liabilities (including without limitation, property, plant and equipment) including, inter alia, the contracts or agreements that the Group has embarked upon or are about to embark upon (where applicable) and have relied on the Independent Valuation Reports and opinion of the Directors and the financial statements (audited and unaudited), where applicable for the assessment.

Limitations

It is also to be noted that as trading of the Shares is subject to possible market fluctuations and accordingly, our advice on the Offer does not and cannot take into account the future trading activities or patterns or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review and also such advice, if given, would not fall within our terms of reference in connection with the Offer.

For our opinion and recommendation, we have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints or plans of any individual Shareholder, or group of Shareholders. As different Shareholders or groups of Shareholders would have different investment profiles and objectives, we would advise Independent Directors to recommend that any individual Shareholder or group of Shareholders who may require advice in the context of his specific investment portfolio, including his investment in the Company, should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

13. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

13.1 Independence of Directors

The SIC has ruled that Mr. Aw Ming-Yao Marcus is exempted from the requirement to make a recommendation to Shareholders in connection with the Offer, given that he is of the view that will face an irreconcilable conflict of interest from him being the son of the Offeror and is therefore presumed to be acting in concert with the Offeror.

Notwithstanding such exemption, Mr. Aw Ming-Yao Marcus shall remain responsible for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

As at the Latest Practicable Date, each of Mr. Tan Kok Hiang, Mr. Koh Tien Gui and Mr. Ong Kok Wah considers himself to be independent for the purposes of making a recommendation to the Shareholders in relation to the Offer.

13.2 **Independent Directors' Recommendation**

The Independent Directors, having carefully considered the terms of the Offer and the advice given by the IFA to the Independent Directors in the IFA Letter, **CONCUR** with the recommendation of the IFA in respect of the Offer. Accordingly, the Independent Directors recommend that Shareholders **REJECT** the Offer.

The Independent Directors however wish to draw the attention of Shareholders to the section entitled 'Matters to highlight' in the IFA Letter, and in particular, the following extract which is set out in italics below.

Unless otherwise stated, all terms and expressions used in the extract below shall have the same meanings as ascribed to them in the IFA Letter.

1. *If the Shareholders are considering selling their Offer Shares in the open market, they should be aware that the current market prices and trading volumes for the Shares may have been supported by the Offer and may not be maintained at current levels when the Offer closes. It should be noted that for the period commencing on the Market Day immediately after the Last Trading Day to the Latest Practicable Date, the closing prices of the Shares were higher than the Offer Price for 1 Market Day out of the total 15 Market Days and equivalent to the Offer Price for 14 Market Days out of the total 15 Market Days and the Offer Price is in line with the last transacted price of S$0.007 per Share on the SGX-ST on 1 August 2023, being the Latest Practicable Date.*

2. *The Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert with the Offeror (whether before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and persons acting in concert with the Offeror holding more than 50% of the total Shares (excluding treasury Shares) as at the close of the Offer.*

3. *Whilst the possibility of a higher offer from a third party cannot be ruled out, as at the Latest Practicable Date, we are not aware of any publicly available evidence of an alternative offer for the Shares. Shareholders should be aware that the chances of such an alternative offer for Shares being made by a third party may be affected by the fact that as at 25 July 2023 (being the latest practicable date of the Offer Document), the Offeror and his Concert Parties collectively hold 1,522,739,471 Shares, representing approximately 45.69% of the total number of issued Shares, which is close to the percentages required for statutory control.*

As set out in the Offer Document, the Offer becomes unconditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and his Concert Parties (whether before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and his Concert Parties holding more than 50% of the total Shares (excluding Treasury Shares) as at the close of the Offer. The Independent Directors note that as at the Latest Practicable Date, the Offeror and his Concert Parties collectively hold 1,522,739,471 Shares, representing approximately 45.69% of the total number of issued Shares, which is less than 5% away from when the Offer becomes unconditional.

Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully. Shareholders are also advised to read and consider carefully the

recommendation of the Independent Directors and the IFA Letter set out in Appendix I to this Circular in its entirety before deciding whether to accept or reject the Offer. Shareholders should note that the advice of the IFA to the Independent Directors and the recommendation of the Independent Directors in respect of the Offer should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

Further, in rendering the above advice and making the above recommendation, the Independent Directors have not had regard to the general or specific investment objectives, financial situations, tax status or position, risk profiles or unique needs and constraints or other particular circumstances of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Shareholders should also be aware and note that there is no assurance that the price and trading volume of the Shares will remain at current levels after the close of the Offer and the current price performance and trading volume of the Shares is not indicative of the future price performance or trading levels of the Shares. The price and trading volume of the Shares are subject to, *inter alia*, the performance and prospects of the Company, prevailing economic conditions, economic outlook and stock market conditions and sentiments.

14. ELECTRONIC DESPATCH OF THE OFFER DOCUMENT

Pursuant to the SIC's Public Statement on the Further Extension of the Temporary Measure to Allow for Electronic Despatch of Take-Over Documents under the Code issued on 29 June 2021, the Offeror has opted to electronically despatch this Circular. Accordingly, no printed copies of this Circular will be despatched to the Shareholders.

Instead, this Circular has been despatched electronically to the Shareholders through publication on the websites of both the SGX-ST and the Company. In connection with the electronic despatch of this Circular, a Notification Letter will be despatched by ordinary post to the Shareholders.

Electronic copies of this Circular and the Notification Letter are available on the website of the SGX-ST at https://www.sgx.com and on the website of the Company at https://www.icp.com.sg/. Shareholders will need an internet browser and PDF reader to view this Circular on the websites of the SGX-ST and/or the Company.

15. OVERSEAS SHAREHOLDERS

15.1 Overseas Shareholders

Section 14 of the Offer Document sets out certain information in relation to Overseas Shareholders, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

14. OVERSEAS SHAREHOLDERS

14.1 Overseas Jurisdictions

This Offer Document, the Notification, the Acceptance Forms and/or any related documents do not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document, the Notification, the Acceptance Forms and/or any related documents in any jurisdiction in contravention of applicable law. The Offer is made solely by this Offer Document and the Acceptance Forms, which contain the full terms and

conditions of the Offer, including details of how the Offer may be accepted.

The release, publication or distribution of this Offer Document, the Notification, the Acceptance Forms and/or any related documents in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Offer Document, the Notification, the Acceptance Forms and/or any related documents is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Offer Document, the Notification, the Acceptance Forms and/or any related documents are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer will violate the laws of that jurisdiction ("Restricted Jurisdiction") and the Offer will not be made to, nor will the Offer be capable of acceptance by, any person within any Restricted Jurisdiction if the offer to and/or acceptance by such person will violate the laws of the Restricted Jurisdiction. Persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror or SCCL, for and on behalf of the Offeror, and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

14.2 Overseas Shareholders

The availability of the Offer to Overseas Shareholders and the ability of the Overseas Shareholders to accept the Offer may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions, and exercise caution in relation to the Offer, as this Offer Document has not been reviewed by any regulatory authority in any overseas jurisdiction. ***Where there are potential restrictions on sending the Notification and/or the relevant Acceptance Forms to any overseas jurisdictions, the Offeror, SCCL, CDP and the Registrar each reserves the right not to send these documents or any part thereof to Overseas Shareholders in such overseas jurisdictions.***

For the avoidance of doubt, the Offer is open to all Shareholders holding Offer Shares, including those to whom the Notification and/or the relevant Acceptance Forms have not been, or may not be, sent.

It is the responsibility of Overseas Shareholders who wish (a) to request for the Notification and/or the relevant Acceptance Forms; or (b) to accept the Offer, to satisfy themselves as to the full observance of the laws of the relevant overseas jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholders shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, SCCL, CDP, the Registrar and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments as the Offeror, SCCL, CDP, the Registrar and/or any person acting on their behalf may be required to pay. In (a) requesting for the Notification and the relevant Acceptance Forms; and/or (b) accepting the Offer, each Overseas Shareholder represents and warrants to the Offeror, SCCL, CDP and the Registrar that he is in full observance of the laws of the relevant jurisdiction in that connection and that he is in full compliance with all necessary formalities or legal requirements.

Any Overseas Shareholder who is in doubt about his position, including (without limitation) the ability to accept the Offer, should consult his professional adviser in the relevant jurisdiction.

14.3 Copies of the Notification and the relevant Acceptance Forms

Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, obtain a copy of the Notification, the relevant Acceptance Forms and any related documents during normal business hours and up to the Closing Date, from CDP (if he is a Depositor) by contacting CDP's Customer Service Hotline at +65 6535 7511 during their operating hours or emailing CDP at asksgx@sgx.com for instructions on how to obtain a copy of such documents or the office of the Registrar, B.A.C.S. Private Limited (if he is a scripholder) at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896.

Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Offeror at Mr. Aw Cheok Huat c/o The Central Depository (Pte) Limited at Robinson Road Post Office, P.O. Box 1984, Singapore 903934 (if he is a Depositor), or Mr. Aw Cheok Huat c/o B.A.C.S. Private Limited at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896 (if he is a scripholder), to request for the Notification, the relevant Acceptance Forms and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five (5) Market Days prior to the Closing Date.

Electronic copies of this Offer Document and the relevant Acceptance Forms are available on the website of the SGX-ST at https://www.sgx.com.

14.4 Notice

The Offeror and SCCL each reserve the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST and if necessary, paid advertisement in a daily newspaper published or circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including Overseas Shareholders) to receive or see such announcement or advertisement.

15.2 **Copies of Circular**

Due to potential restrictions on sending this Circular to overseas jurisdictions, this Circular has not been and will not be sent to any Overseas Shareholder who has not provided, and will not provide, the Company with an address within Singapore at which notices or documents may be served upon him. Any affected Overseas Shareholder may, nevertheless, subject to compliance with applicable laws, download electronic copies of this Circular from the SGXNET announcement page of the Company.

In downloading this Circular and any related documents, each of the Overseas Shareholders represents and warrants to the Company that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements.

16. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

Section 15 of the Offer Document sets out certain information pertaining to CPFIS Investors and SRS Investors, extracts of which are set out in italics below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as ascribed to them in the Offer Document.

15. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

CPFIS Investors and SRS Investors will receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks directly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks accordingly by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks. CPFIS Investors and SRS Investors who accept the Offer will receive the Offer Price in respect of their Offer Shares, in their respective CPF investment accounts and SRS investment accounts.

17. ACTION TO BE TAKEN BY SHAREHOLDERS

17.1 Shareholders who wish to accept the Offer

Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. (Singapore Time) on the Closing Date, abiding by the procedures for the acceptance of the Offer as set out in Appendix B to the Offer Document, the FAA and/or the FAT (as the case may be).

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror:

(a) by CDP (in respect of the FAA); or

(b) by the Share Registrar (in respect of the FAT),

as the case may be, not later than **5.30 p.m. (Singapore time) on the Closing Date**.

17.2 Shareholders who do not wish to accept the Offer

The Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document, the FAA and/or the FAT (as the case may be) which have been sent to them.

18. CONSENTS

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, its advice to the Independent Directors in relation to the Offer, the IFA Letter in Appendix I to this Circular, and all references to its name in the form and context in which they appear in this Circular.

Deloitte & Touche LLP has given and has not withdrawn its written consent to the inclusion of its name, its report in relation to the audited consolidated financial statements of the Group for FY2022 as set out in Appendix IV to this Circular, and all references to its name in the form and context in which they appear in this Circular.

Altech Maritime Consultants Pte. Ltd. has given and has not withdrawn its written consent to the inclusion of its name, the Desktop Valuation Reports as set out in Appendix VI to this Circular, and all references to its name in the form and context in which they appear in this Circular.

Knight Frank Malaysia Sdn Bhd has given and has not withdrawn its written consent to the inclusion of its name, the Valuation Certificate as set out in Appendix VII to this Circular, and all references to its name in the form and context in which they appear in this Circular.

Withers KhattarWong LLP, named as the legal adviser to the Company, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references to its name in the form and context in which they appear in this Circular.

19. DIRECTORS' RESPONSIBILITY STATEMENT

Save for the (a) the recommendation of the Independent Directors to the Shareholders set out in Section 13 of this Circular for which the Independent Directors are solely responsible, (b) IFA Letter for which the IFA takes responsibility, (c) information extracted from the Offer Announcement and the Offer Document, (d) information relating to the Offeror, the IFA and the Independent Valuers, (e) the Desktop Valuation Reports, and (f) the Valuation Certificate, the Directors (including those who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular are fair and accurate, and that no material facts have been omitted from this Circular, the omission of which would make any statement in this Circular misleading, and they jointly and severally accept responsibility accordingly.

In respect of the IFA Letter, the Desktop Valuation Reports and the Valuation Certificate, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Company are, after having made all reasonable enquiries and to the best of their knowledge and belief, fair and accurate in all material aspects.

Where any information in this Circular has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Announcement, the Offer Document, the IFA Letter, the Desktop Valuation Reports and the Valuation Certificate), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular in its proper form and context.

20. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 6 Temasek Boulevard, #23-01, Suntec Tower Four, Singapore 038986 during normal business hours for the period during which the Offer remains open for acceptance:

(a) the Constitution;

(b) the IFA Letter, as set out in Appendix I to this Circular;

(c) the annual reports of the Company for FY2020, FY2021 and FY2022;

(d) the audited consolidated financial statements of the Group for FY2022, as set out in Appendix IV to this Circular;

(e) the condensed interim consolidated financial statements of the Group for the six months ended 31 December 2022, as set out in Appendix V to this Circular;

(f) the Desktop Valuation Reports, as set out in Appendix VI to this Circular;

(g) the Valuation Certificate, as set out in Appendix VII to this Circular, together with the formal valuation report as referred to in the Valuation Certificate; and

(h) the letters of consent referred to in Section 18 of this Circular.

21. ADDITIONAL INFORMATION

The attention of the Shareholders is also drawn to the Appendices which form part of this Circular.

Yours faithfully

For and on behalf of the Board of Directors of
ICP LTD.

Tan Kok Hiang
Independent Non-Executive Chairman

LETTER FROM ASIAN CORPORATE ADVISORS PTE. LTD. TO THE INDEPENDENT DIRECTORS OF ICP LTD.

ASIAN CORPORATE ADVISORS PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No: 200310232R)

160 Robinson Road #21-05
SBF Center
Singapore 068914

The Independent Directors (as hereinafter defined)
ICP Ltd.
6 Temasek Boulevard
#23-01 Suntec Tower Four
Singapore 038986

15 August 2023

MANDATORY UNCONDITIONAL CASH OFFER (THE "OFFER") BY STIRLING COLEMAN CAPITAL LIMITED ("SCCL") FOR AND ON BEHALF OF MR. AW CHEOK HUAT (THE "OFFEROR") TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF ICP LTD. ("ICP" OR THE "COMPANY") OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND HIS CONCERT PARTIES

*Unless otherwise defined or where the context otherwise requires, all terms used herein shall have the same meanings as defined in the circular dated 15 August 2023 (the "**Circular**") issued by the Company.*

1. INTRODUCTION

On 11 July 2023 (the "**Offer Announcement Date**"), SCCL, for and on behalf of the Offeror, announced (the "**Offer Announcement**") that the Offeror had on the same day acquired an aggregate of 773,215,571 issued and paid-up ordinary shares (the "**Shares**") in the capital of the Company at the purchase consideration of S$0.007 per Share (the "**Acquisition**").

The Shares in the Acquisition represent approximately 23.20% of the total number of issued Shares.

Prior to the Acquisition, the Offeror held a deemed interest in 647,627,900 Shares, representing approximately 19.43% of the total issued Shares.

As a consequence of the Acquisition, as at the Offer Announcement Date, the Offeror owned, controlled or agreed to acquire an aggregate of 1,420,843,471 Shares, representing approximately 42.63% of the total number of Shares.

As a consequence of the Acquisition and in accordance with Section 139 of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**"), the Offeror is required to make the Offer for all the Shares other than those already owned, controlled or agreed to be acquired by the Offeror (the "**Offer Shares**") at a price of S$0.007 (the "**Offer Price**") for each Offer Share, in cash.

On 1 August 2023, SCCL, for and on behalf of the Offeror, announced that the offer document dated 1 August 2023 (the "**Offer Document**"), setting out, *inter alia*, the terms and conditions of the Offer, has been electronically disseminated.

As stated in the Offer Document, as at 25 July 2023 (being the latest practicable date of the Offer Document), the Offeror and his Concert Parties hold an aggregate interest of 1,522,739,471 Shares, representing approximately 45.69% of the issued Share capital (excluding treasury Shares) of the Company.

Asian Corporate Advisors Pte. Ltd. ("**ACA**"), has been appointed as the independent financial adviser (the "**IFA**") to advise the directors of the Company (the "**Directors**"), who are considered to be independent for the purpose of making a recommendation to the shareholders of the Company ("**Shareholders**") in relation to the Offer (the "**Independent Directors**"). We note from the Circular that the Directors, who are considered independent for the purposes of making a recommendation to Shareholders in respect of the Offer, are namely Mr. Tan Kok Hiang, Mr. Koh Tien Gui, and Mr. Ong Kok Wah.

This letter (the "**Letter**" or the "**IFA Letter**") and any other document, which may be issued by ACA, in respect of the Offer for the purpose of revising, amending or supplementing or updating (as the case may be) and setting out, *inter alia*, our views and evaluation of the financial terms of the Offer and our recommendations thereon, will form part of the Circular providing, *inter alia*, details of the Offer and the recommendations of the Independent Directors with regard to the Offer. Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning ascribed herein.

2. TERMS OF REFERENCE

ACA has been appointed to advise the Independent Directors on the financial terms of the Offer and whether the Shareholders should accept or reject the Offer. We do not warrant the merits of the Offer other than to form a view, for the purposes of Rule 7.1 and 24.1 (b) of the Code, as to whether the financial terms of the Offer are fair and reasonable. We have confined our evaluation strictly and solely on the financial terms of the Offer and have not taken into account the commercial risks and/or merits (if any) of the Offer or their strategic merits or the future prospects of the Company or the Company and its subsidiaries (the "**Group**") including, *inter alia,* the contracts that the Group has embarked upon or are about to embark upon or the comparison with other deals involving the Shares or the timing or the time extended for the Offer. Such evaluation or comment remains the responsibility of the Directors and the management of the Company (the "**Management**") although we may draw up on their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our view as set out in this Letter. We do not express any opinion on the relative merits of the Offer as compared to any other alternative transaction. We were not requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Offer Shares or assets or businesses of the Group. In addition, we do not express any views or opinions on the legality of the Offer or all other matters pertaining to the Offer or documents for the Offer (the Circular and the Offer Document), *inter alia*, the mechanism or processes of acceptances, its eligibility or validity or other alternatives (if any) or the sufficiency of information or any undertakings provided or rights of compulsory acquisition under the Companies Act, Chapter 50 of Singapore (the "**Act**" or the "**Companies Act**") or the requirement for a valuation or forecast or prospect statement or its contents pursuant to the Code. Our scope does not include determining the independence of the Independent Directors for the purpose of making recommendation in respect of the Offer.

In the course of our evaluation, we have held discussions with the Directors and Management regarding their assessment of the rationale for the Offer and have examined publicly available information collated by us, including the unaudited and audited financial statements as well as information, both written and verbal, provided to us by the Directors and Management and professional advisers of the Company, including its consultants or advisers, solicitors, auditors and valuers (where applicable). We have not independently verified such information but have made such reasonable enquiries and used our judgement as we deemed necessary on the reasonableness of such information and have found no reason to doubt the accuracy or reliability of the information. Accordingly, we cannot and do not expressly or impliedly represent or warrant, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or the manner it has been classified or presented.

We have relied upon the assurance of the Directors and Management that all statements of fact, belief, opinion and intention made by the Directors and the Management in the Circular have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty, expressed and implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information.

Our evaluation is based solely on publicly available information and other information provided by the Company as well as the economic and market conditions prevailing as at 1 August 2023 (the "**Latest Practicable Date**"), and therefore does not reflect expected financial performance after the six (6) months financial period ended 31 December ("**HY**") 2022 ("**HY2023**") for the Group. Accordingly, we have not commented on or assessed the expected future performance or prospects of the Company or the Group or the Shares, irrespective of the outcome of the Offer. Our evaluation and opinion and recommendation do not and cannot take into account future or prospective performance and neither are we responsible for it or for any updates pursuant to any announcements subsequent to the issuance of this Letter or the timing of the Offer or the dates for issuance of the Circular. Accordingly, any estimates or analysis or evaluation of the merits of the Company or the Group or the Shares in this Letter are necessarily limited and we do not warrant or represent that it is complete or in entirety.

Our scope does not require us and we have not made any independent evaluation of the Group (including without limitation, market value or economic potential) or appraisal of the Group's assets and liabilities (including without limitation, other financial assets, development property, and property, plant and equipment) or contracts entered into or to be entered into by the Group (where applicable) and we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or

contracts entered into (where applicable) by the Group.

We have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into (where applicable) by the Group save for:

(a) Valuation certificate dated 11 August 2023 (the "**Hotel Valuation Certificate**") issued by Knight Frank Malaysia Sdn Bhd ("**KF**") in respect of the market value of the Group's hotel property, namely Travelodge Chinatown Kuala Lumpur at No. 7, Jalan Hang Kasturi City Center, 50050 Kuala Lumpur (the "**Hotel Property**") as at 30 June 2023 (the "**Valuation Date**"); and

(b) Valuation reports dated 30 June 2023 (the "**Vessels Desktop Valuation Reports**") issued by Altech Maritime Consultants Pte. Ltd. ("**AMC**") in respect of the fair value of the Group's vessels as at the Valuation Date,

(collectively, the Hotel Valuation Certificate and the Vessel Desktop Valuation Reports will be termed the "**Independent Valuation Reports**", and KF and AMC shall be collectively be referred to as the "**Independent Valuers**").

The Independent Valuation Reports are attached as Appendices to the Circular. With respect to such valuation, we are not experts in the evaluation or appraisal of assets and liabilities (including without limitation, property, plant and equipment) including, *inter alia*, where applicable the contracts that the Group has embarked upon or are about to embark upon and have relied on the opinion of the Directors. The Directors confirm that they are aware of and satisfied with the selection of Apprised Assets (as described or defined later) for the valuation exercise and having reviewed the Independent Valuation Reports (*inter alia*, the assumptions, methodology used and information relied upon by KF and AMC) as a whole and individually (where applicable), they are of the opinion that the assumptions and methodology of the Independent Valuation Reports are reasonable.

The Directors are of the opinion that the values of the assets and liabilities, as well as the financial performance or condition of the Group as reflected in the unaudited financial statements for, *inter alia*, HY2023 and the audited financial statements for the Group for the financial year ended 30 June ("**FY**" or "**FYE**") 2022 ("**FY2022**") are true and fair. The Directors have also confirmed that to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for HY2023 and the audited financial statements for the Group for FY2022, as well as to be false or misleading in any aspect.

The Directors further confirmed that, to the best of their knowledge, as at the Latest Practicable Date and save for matters disclosed in the Circular, this Letter, the Company's announcements on the SGX-NET, the audited financial statements for the Group for FY2022 and the unaudited financial statements for the Group for HY2023, there has been no material changes to the Group's assets and liabilities, financial position, condition and performance.

Our opinion in this Letter is based on economic, market, industry, monetary and other conditions (if applicable), and the information provided to us, as at the Latest Practicable Date. Accordingly, the bases or assumptions and likewise our views or opinion or recommendation may and do change in the light of these developments which, *inter alia*, includes general as well as company-specific or industry-specific conditions or sentiments or factors. Independent Directors should note that our evaluation is based solely on publicly available information and such other information provided by the Company or its Directors or Management as well as the economic and market conditions prevailing as at the Latest Practicable Date, and therefore does not reflect expected financial performance after HY2023 for the Group or developments (both macro and company-specific) and that these factors do and will necessarily affect the evaluation of the Offer and our recommendation or opinion or views.

The Directors have collectively and severally accepted full responsibility, as set out in the Circular, for the truth, accuracy and completeness of all information and representations as provided by the Directors and contained herein. The Directors have confirmed to ACA that to the best of their knowledge and belief, all material information available to them and the Management in connection with the Company, the Group, the Offer or the Offeror or such other parties has been disclosed to ACA in its entirety and included in the Circular, that such information is true, complete and accurate in all material respects and that there is no

other information or fact including the financial performance or expected future performance or future growth prospects or restructuring plans (if applicable) of the Company or the Group or the valuation or appraisal of assets and liabilities including, *inter alia,* the contracts or agreements that the Group has embarked upon or are about to embark upon, the omission of which would result in the facts stated and the opinions expressed by the Directors in the Circular or this Letter to be untrue, inaccurate or incomplete in any respect or misleading. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by ACA concerning the truth, accuracy, completeness or adequacy of such information or facts.

The scope of our appointment does not require us to express, and we do not express, a view on the future growth prospects of the Company or the Group including, *inter alia*, the contracts that the Group has embarked on or are about to embark upon. We are therefore not expressing any view herein as to the returns that the Shareholders may have owning the Shares upon completion or close of the Offer or on the future financial performance of the Company or the Group or the plans (if any) that the Offeror may have for the Company. In rendering our advice and giving our recommendation, we have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints or particular circumstances of any individual Shareholder. As each Shareholder would have different investment profiles and objectives, horizons and risk profiles, we would advise Independent Directors to recommend that any Shareholder, who may require advice in the context of his specific investment objective(s), investment portfolio(s), including his investment in the Company, should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Accordingly, any factor or assumption or basis as well as the relative emphasis on any matter set out in this Letter on the Offer or the Company or the Group or the Shares which we used or may have used may differ from the relative emphasis accorded by any individual Shareholder or Independent Director, and as such Independent Directors are advised to highlight to Shareholders as well as note for themselves that any reliance on our opinion or view or assessment, is subject to the contents of this Letter in its entirety. In addition, ACA will not be responsible or required to provide an updated assessment or opinion or views of the Offer or its recommendation, following the date of the issue of this Letter.

Accordingly, our Letter or opinion or views or recommendation should not be used or relied by anyone for any other purposes and should only be used by the Independent Directors, subject to our terms of reference and the contents of this Letter as one of the basis for their opinions or views or recommendation. In addition, any references to our Letter as one of the basis for their opinions, views or recommendation, should not be made except with our prior consent in writing and even if made with our prior consent in writing, shall be subject to the contents of this Letter in its entirety, *inter alia*, the matters, conditions, assumptions, limitations, factors, and bases as well as the terms of reference for this Letter.

3. TERMS OF THE OFFER

The principal terms and conditions of the Offer, as extracted from Sections 2 to 5 of the Offer Document, are set out in italics below. We recommend that Shareholders read the terms and conditions contained therein carefully.

"2. TERMS OF THE OFFER

2.1 ***Offer Price.*** *For and on behalf of the Offeror, SCCL hereby makes the Offer, in accordance with Section 139 of the SFA and Rule 14 of the Code, and subject to the terms and conditions of this Offer Document, for all the Offer Shares on the following basis:*

S$0.007 in cash for each Offer Share ("Offer Price")

2.2 ***Offer Shares.*** *The Offer will be extended, on the same terms and conditions, to all of the Shares in issue, excluding those already owned, controlled or agreed to be acquired by the Offeror as at the date of the Offer ("**Offer Shares**").*

2.3 ***No Encumbrances.*** *The Offer Shares will be acquired:*

(a) validly issued and fully paid;

(b) free from all mortgages, assignments, debentures, liens, hypothecation, charges, pledges, adverse claims, rent-charge, title retention, claims, equity, options, encumbrances, pre-emption rights, rights to acquire, security agreement and security interest or other rights of whatever nature; and

*(c) together with all rights, benefits and entitlements, attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including all voting rights and the right to receive and retain all dividends, rights, return of capital and/or other distributions ("**Distribution**") (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date.*

If any Distribution is announced, declared, paid or made by the Company on or after the Offer Announcement Date, depending on the settlement date in respect of the Offer Shares tendered in acceptance of the Offer, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such Distribution.

2.4 ***Conditional Offer.*** *The Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and his Concert Parties (whether before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and his Concert Parties holding more than 50% of the total Shares (excluding treasury Shares) as at the close of the Offer ("**Acceptance Condition**").*

Save for the Acceptance Condition, the Offer is unconditional in all other respects.

3. DURATION OF THE OFFER

The Offer is open for acceptance by Shareholders for at least 28 days from the Despatch Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

The Offer will close at 5.30 p.m. on 29 August 2023, being the Closing Date. The Offeror does not intend to extend the Offer beyond 5.30 p.m. on 29 August 2023 and the Offer will not be open for acceptances beyond 5.30 p.m. on 29 August 2023.

Accordingly, notice is hereby given that the Offer will close at 5.30 p.m. on 29 August 2023 and will not be open for acceptances beyond 5.30 p.m. on 29 August 2023.

4. DETAILS OF THE OFFER

Appendix A *of this Offer Document sets out further details on:*

(a) the settlement of the consideration for the Offer;

(b) the requirements relating to the announcement(s) of the level of acceptances of the Offer; and

(c) the right of withdrawal of acceptances of the Offer.

5. PROCEDURES FOR ACCEPTANCE

Appendix B *of this Offer Document sets out the procedures for acceptance of the Offer."*

4. INFORMATION ON THE OFFEROR

Information on the Offeror is set out in Section 6 of the Offer Document, selected extracts of which are reproduced and set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

"6. INFORMATION ON THE OFFEROR

The Offeror is a businessman and a controlling shareholder of the Company. The Offeror's address is at c/o 10 Anson Road #29-14 International Plaza Singapore 079903.

As the Offeror is an individual, the requirements on financial disclosures relating to companies as set out in the Code will not be applicable to him."

5. INFORMATION ON THE COMPANY

Information and additional general information on the Company are set out in Section 7 and Appendix C of the Offer Document, as well as Appendix II of the Circular.

6. THE RATIONALE FOR THE OFFER, INTENTION OF THE OFFEROR AND THE LISTING STATUS

The rationale for the Offer, the Offeror's intentions for the Company and the listing status and compulsory acquisition are stated in Sections 8 to 9 of the Offer Document respectively and had been reproduced in italics below. All terms and expressions used in the extract below shall have the same meaning as those defined in the Offer Document, unless otherwise stated.

"8. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTION FOR THE COMPANY

8.1 ***Compliance with the Code***

The Offer is made solely to comply with the Code arising from the Acquisition.

8.2 ***Intention for the Company***

There is currently no intention to (a) introduce any major changes to the existing businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of the employees of the Group, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options in relation to the Group which may present themselves and which they may regard to be in the interest of the Offeror.

9. LISTING STATUS AND COMPULSORY ACQUISITION

9.1 ***Listing Status***

Under Rule 1104 of the Catalist Rules, upon the announcement by the Offeror that valid acceptances have been received, pursuant to the Offer, that bring the holdings of the Shares owned by the Offeror and parties acting or deemed to be acting in concert with the Offeror to above 90% of the total number of issued Shares (excluding any treasury Shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until it is satisfied that at least 10% of the total number of issued Shares (excluding treasury Shares) are held by at least 200 Shareholders who are members of the public.

Under Rule 1303(1) of the Catalist Rules, where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding treasury Shares), thus causing the percentage of the total number of issued Shares (excluding treasury Shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares at the close of the Offer.

Shareholders are advised to note that Rule 723 of the Catalist Rules requires the Company to ensure that at least 10% of the total number of issued Shares (excluding treasury Shares) is at all times held by the public. In addition, under Rule 724(1) of the Catalist Rules, if the percentage of the total number of issued Shares (excluding treasury Shares) held in public hands falls below 10%, the Company must, as soon as practicable, notify its sponsor and announce that fact, and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Catalist Rules further states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

9.2 ***Compulsory Acquisition***

*Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer and/or acquires such number of Offer Shares at the close of the Offer in respect of not less than 90% of the total number of issued Shares (excluding treasury Shares and other than those already held as at the date of the Offer by the Offeror and its related corporations (or their respective nominees) or any person or body corporate falling within the meaning of Section 215(9A) of the Companies Act), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer ("**Dissenting Shareholders**") on the same terms as those offered under the Offer.*

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror acquires, pursuant to the Offer, such number of Shares which, together with treasury Shares and the Shares held by the Offeror and its related corporations (or their respective nominees) and any person or body corporate falling within the meaning of Section 215(9A) of the Companies Act, comprise 90% or more of the total number of issued Shares as at the close of the Offer. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

***It is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST following completion of the Offer**. Accordingly, the Offeror, if and when entitled, does not intend to exercise his rights of compulsory acquisition under Section 215(1) of the Companies Act to acquire those Offer Shares not acquired by the Offeror pursuant to the Offer, or to delist the Company from the SGX-ST pursuant to the Catalist Rules. In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or Rule 1104 of the Catalist Rules, the Offeror intends to undertake and/or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted."*

7. FINANCIAL ASSESSMENT OF THE OFFER

In assessing the terms of the Offer from a financial point of view, we have taken into account the following pertinent factors as well as others in this Letter, which we consider will have a significant bearing on our assessment:

(i) historical financial performance and position of the Group;

(ii) the Group's net asset value ("**NAV**") and net tangible assets ("**NTA**");

(iii) market quotation and trading activities for the Shares;

(iv) comparisons with recently completed non-privatisation mandatory general offer transactions of companies listed on the SGX-ST;

(v) relative valuation analysis; and

(vi) such other relevant considerations which have significant bearing on our assessment.

These factors are discussed in detailed in the ensuing sections.

As at the Latest Practicable Date, the Company only has one (1) class of shares, being ordinary Shares, with equal ranking rights to dividend, voting at general meetings and return of capital. We note from Appendix II of the Circular, that the issued and paid-up Share capital of the Company is S$36,617,849.43, comprising 3,332,944,326 Shares (excluding treasury Shares), and the Company does not have any treasury Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for and options or derivatives in respect of, the Shares or securities being offered for or which carry voting rights affecting the Shares.

In our assessment of the Offer, we have applied certain valuation ratios for the purposes of evaluating the fairness and reasonableness of the Offer Price. A brief description of such valuation ratios are as follows:–

(i) **EV/EBITDA**

"EV" or **"Enterprise Value"** is defined as the sum of a company's market capitalisation, preferred equity, minority interests, short term and long term debts less its cash and cash equivalents. **"EBITDA"** stands for earnings before interest, taxation, depreciation and amortisation but after share of associates' and joint ventures' income but excluding exceptional items.

The **"EV/EBITDA"** multiple is an earnings-based valuation methodology that does not take into account the capital structure of a company as well as its interest, taxation, depreciation and amortisation charges. Therefore, it serves as an illustrative indicator of the current market valuation of the business of a company relative to its pre-tax operating cash flow and performance.

(ii) **Price-to-Earnings ratio ("PER")**

The PER is a widely used earnings-based valuation methodology that illustrates the ratio of the current market price of a company's shares relative to its net earnings per share. Unlike the EV/EBITDA multiple, the PER is based on the net earnings attributable to shareholders after interest, taxation, depreciation and amortisation expenses. As such, the PER is affected by the capital structure of a company, tax position as well as its depreciation and goodwill policies.

(iii) **Price-to-NTA ("P/NTA")**

The P/NTA ratio is the ratio of the relevant prices of the shares to the net tangible asset value of the relevant companies. It is an asset-based valuation methodology that illustrates the ratio of the current market valuation of a company relative to its tangible asset backing as measured in terms of its NTA value.

The NTA of a company provides an estimate of its value assuming a hypothetical sale of all its tangible assets, the proceeds of which are first used to repay the liabilities and obligations of that company with the balance available for distribution to its shareholders. The NTA-based approach is widely used for valuing the shares of property-based companies as their tangible asset backings are perceived as providing support for the value of their shares.

(iv) **Price-to-NAV ("P/NAV")**

The P/NAV ratio is the ratio of the relevant prices of the shares to the net asset value of the relevant companies. It is an asset based valuation methodology that illustrates the ratio of the current market valuation of a company relative to its tangible and intangible asset backing as measured in terms of its NAV value.

The NAV of a company provides an estimate of its value assuming a hypothetical sale of all its tangible and intangible assets, the proceeds of which are first used to repay the liabilities and obligations of that company with the balance available for distribution to its shareholders.

7.1 HISTORICAL FINANCIAL PERFORMANCE AND POSITION OF THE GROUP

The following are extracts from the audited consolidated financial statements of the Group for the financial year ended 30 June 2020 ("**FY2020**"), the financial year ended 30 June 2021 ("**FY2021**"), and FY2022, as well as the unaudited financial statements of the Group for the 6 months financial period ended 31 December 2021 ("**HY2022**") and HY2023.

Summary of consolidated income statements

Figures in S$'000[1]	Unaudited HY2023	Unaudited HY2022	Audited FY2022	Audited FY2021	Audited FY2020
Revenue	4,810	2,563	5,121	4,370	6,437
Cost of sales	(742)	(820)	(1,588)	(1,636)	(2,187)
Gross Profit	4,068	1,743	3,533	2,734	4,250
Other income	26	57	145	240	131
Administrative expenses	(2,224)	(1,665)	(3,788)	(3,007)	(4,852)
Share of results of equity-accounted investees, net of tax	(12)	3	2	20	50
Other losses [2]	(276)	(47)	(359)	(138)	(227)
Finance costs	(482)	(451)	(891)	(905)	(665)
Finance income	21	7	14	15	38
Profit/(loss) before tax	1,121	(353)	(1,344)	(1,041)	(1,275)
Profit/(loss) after tax attributable to owners of the Company	1,143	(305)	(1,230)	(920)	(1,088)

Summary of consolidated statements of financial position

Figures in S$'000[1]	Unaudited HY2023	Audited FY2022	Audited FY2021	Audited FY2020
Non-current assets	51,797	51,970	54,332	55,661
Current assets	7,560	8,604	9,992	6,138
Non-current liabilities	19,571	7,522	25,249	26,239
Current liabilities	6,179	19,989	4,155	4,044
Total borrowings[3]	21,149	22,949	24,415	19,578
Shareholders' equity	25,546	24,842	26,400	27,339
Net current assets/(liabilities)[4]	1,381	(11,385)	5,837	2,094

Summary of consolidated statements of cash flows

Figures in S$'000[1]	Unaudited HY2023	Unaudited HY2022	Audited FY2022	Audited FY2021	Audited FY2020
Net cash generated from operating activities	2,472	448	962	1,447	1,919
Net cash (used in) investing activities	(2,164)	(284)	(578)	(1,023)	(1,783)
Net cash (used in) / generated from financing activities	(1,393)	(627)	(1,564)	3,819	563
Net (decrease) / increase in cash and cash equivalents	(1,085)	(463)	(1,180)	4,243	699
Cash and cash equivalents at end of financial period/year	5,266	7,262	6,389	7,772	3,593

***Notes**:*

(1) The figures included herein and discrepancies between the listed and total amounts thereof are subject to rounding.

(2) Other losses comprised, inter alia, unrealised foreign exchange losses, impairment on other receivables, fair value loss arising from financial assets mandatorily measured at fair value through profit and loss, and allowance on amount due from an associate.

(3) The total borrowings include loans and borrowings as well as lease liabilities.

(4) Net current assets/ (liabilities) are defined as current assets less current liabilities.

The following should be reviewed in conjunction with the tables and notes above:

(i) Business segments of the Group

	HY2023 S$'000	HY2022 S$'000	FY2022 S$'000	FY2021 S$'000	FY2020 S$'000
Revenue from Hospitality Business	3,961	1,615	3,225	2,548	4,640
Revenue from Vessel Chartering Business	849	948	1,896	1,822	1,797
Total revenue	**4,810**	**2,563**	**5,121**	**4,370**	**6,437**

The Group's revenue is derived from: (i) hotel management, franchise and investment (the "**Hospitality Business**"), which contributed approximately 63.0% and 82.3% of the total Group's revenue in FY2022 and HY2023 respectively; and (ii) chartering of vessels (oil tankers) (the "**Vessel Chartering Business**"), which contributed approximately 37.0% and 17.7% of the total Group's revenue in FY2022 and HY2023 respectively.

The revenue from Vessel Chartering for FY2020 to HY2023 was from a related party, being a subsidiary of Glomar Holdings Pte. Ltd. (which owns the remaining 49% interest in GMT Bravo Pte. Ltd. and GMT Charlie Pte. Ltd.).

In terms of geographical segments, Singapore has been the largest market for the Group, contributing approximately 50.7%, 60.8%, 57.4%, and 39.2% of total revenue for FY2020, FY2021, FY2022, and HY2023 respectively. The remaining revenue contributions were derived from Malaysia, Korea, Japan and Hong Kong.

(ii) Financial performance for FY2022, FY2021 and FY2020

The Group's revenue decreased from approximately S$6.4 million in FY2020 to approximately S$4.4 million in FY2021 before increasing to approximately S$5.1 million in FY2022. The decrease in revenue for FY2021 was attributed to lower revenue in the Hospitality Business, which decreased by approximately 32.1% to approximately S$2.5 million as a result of various city lockdowns and implementation of tight cross borders restrictions arising from COVID-19 in many countries. In addition, hotel management and franchise fee income also reduced as businesses were affected by the overall downturn of global tourism. This was partially offset by the increase in revenue from the Vessel Chartering Business due to an increase in the chartering rate. The increase in revenue for FY2022 was attributed to higher revenue from both the Hospitality Business and Vessel Chartering Business.

The Group recorded gross profit of approximately S$4.3 million, S$2.7 million and S$3.5 million with corresponding gross profit margin of approximately 66.0%, 62.6% and 69.0% in FY2020, FY2021 and FY2022 respectively. The decrease in gross profit for FY2021 was due to lower gross profit margin brought about by the decrease in revenue, which was at faster pace than the decrease in cost of sales. The increase in gross profit for FY2022 was due to higher gross profit margin brought about by the increase in revenue while cost of sales remains relatively unchanged.

The Group's administrative expenses (comprising payroll, depreciation, professional fees, hotel operation expenses, and allowance for doubtful debts) amounted to approximately S$4.9 million, S$3.0 million and S$3.8 million in FY2020, FY2021, and FY2022 respectively. The decrease in the Group's administrative expenses for FY2021 was due to the reduction of employees' payroll and directors' fees, as well as government jobs support scheme pay-out. The increase in the Group's administrative expenses for FY2022 was due to allowance for doubtful debts (including doubtful debts written off) of approximately S$0.3 million, and higher payroll costs as a result of cessation of government grants received under the Job Support Scheme.

The Group recorded net loss after tax attributable to owners of the Company of approximately S$1.1 million, S$0.9 million and S$1.2 million in FY2020, FY2021, and FY2022 respectively.

(iii) Financial performance for HY2023 and HY2022

The Group's revenue increased significantly from approximately S$2.6 million in HY2022 to approximately S$4.8 million in HY2023 due to higher hotel management fees as a result of improved performance in existing hotels and opening of new hotels in Japan, as well as the improvement in the Group's hotel property income as a result of better performance in Travelodge City Centre brought about by the lifting of the pandemic-related travel restrictions.

The Group recorded gross profit of approximately S$1.7 million and S$4.1 million with corresponding gross profit margin of approximately 68.0% and 84.6% in HY2022 and HY2023 respectively. The increase in gross profit margin for HY2023 was due to, *inter alia,* increase in revenue from the Hospitality Business as a result of improved performance in hotels and a reduction in cost of sales by S$0.1 million due to lower vessel dry-docking amortisation costs.

The Group's administrative expenses (comprising payroll, depreciation, professional fees and hotel operation expenses) amounted to approximately S$1.7 million and S$2.2 million in HY2022 and HY2023 respectively. The increase in the Group's administrative expenses for HY2023 was due to the higher expenses recorded resulted from resumption of hotel operations and expansion into new market.

The Group recorded net loss attributable to equity holders of the Company of approximately S$0.3 million in HY2022 and a net profit attributable to owners of the Company of approximately S$1.1 million in HY2023.

(iv) Assets and liabilities

As at 31 December 2022, the Group's total assets amounted to approximately S$59.4 million, comprising non-current assets of approximately S$51.8 million (or approximately 87.3% of the total assets) and current assets of approximately S$7.6 million (or approximately 12.7% of the total assets).

The main constituents of the Group's non-current assets as at 31 December 2022 are property, plant and equipment ("**PPE**") of approximately S$40.9 million, intangible assets of approximately S$7.3 million, investment in associate and joint venture of approximately S$2.1 million, and other receivables of approximately S$1.2 million.

Current assets as at 31 December 2022 comprised largely cash and cash balances of approximately S$5.7 million, and trade and other receivables of approximately S$1.8 million.

As at 31 December 2022, the Group's total liabilities amounted to approximately S$25.8 million and consisted of current liabilities of approximately S$6.2 million (or approximately 24.0% of the total liabilities) and non-current liabilities of approximately S$19.6 million (or approximately 76.0% of the total liabilities).

Non-current liabilities comprised of non-current portion of loans of approximately S$18.3 million, and deferred tax liabilities of approximately S$1.3 million.

Current liabilities comprised mainly current portion of loans of approximately S$2.8 million, trade and other payables of approximately S$2.0 million, amounts due to non-controlling interest of approximately S$1.3 million, and the balance of approximately S$0.1 million comprised current portion of lease liabilities and current tax liabilities.

(v) Net current assets/(liabilities)

The Group was in net current liabilities position of approximately S$11.4 million as at the end of FY2022. The net current liabilities position of the Group arose mainly due to the current portion of the long-term bank loans and the lease liabilities which are due to mature in the next 12 months.

There was a significant improvement in the Group's financial position during HY2023 with the Group recording net current assets of approximately S$1.4 million as at HY2023, mainly due to the refinancing of the secured bank loan.

(vi) Shareholders' equity and borrowings

The Group's equity attributable to owners of the Company decreased from approximately S$27.3 million as at 30 June 2020 to approximately S$26.4 million and S$24.8 million as at 30 June 2021 and 30 June 2022 respectively. This is largely due to the net losses recorded during FY2021 and FY2022. Subsequently, the shareholders' equity of the Group increased from approximately S$24.8 million as at 30 June 2022 to approximately S$25.5 million as at 31 December 2022 due to the net profit recorded during HY2023.

The Group's borrowings (comprised loans and borrowings as well as lease liabilities) increased from approximately S$19.6 million as at 30 June 2020 to approximately S$24.4 million as at 30 June 2021. Thereafter, it declined to approximately S$22.9 million as at 30 June 2022 and approximately S$21.1 million as at 31 December 2022.

As a result of the above, the Group's debt to equity ratio increased from approximately 0.7 times as at 30 June 2020 to approximately 0.9 times as at 30 June 2021 and 30 June 2022. Subsequently, it declined to approximately 0.8 times as at 31 December 2022.

We note from the Company's Annual Report for FY2022, as at 30 June 2022, one of the subsidiaries in the Group has a secured bank loan with a carrying amount of approximately S$18.4 million, which is secured by the Group's hotel property and freehold land with a carrying amount of approximately S$30.2 million as at 30 June 2022. During FY2022, one of the bank financial 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 operation continues to be impacted by COVID-19 pandemic during FY2022. On 14 June 2022, the Group obtained a waiver letter from the bank for FY2022 granting an indulgence for the non-compliance. Therefore, the principal amount together with any interest owing to the bank will not become immediately payable or be demanded by the bank. The Directors and the Management confirmed that there has been no occurrence of breach of financial covenants during HY2023 and till the Latest Practicable Date.

Shareholders should read the independent auditor's report for FY2022 as well as note 2.2 to the financial statements for FY2022 pertaining to the going concern basis of accounting carefully and in its entirety.

(vii) Net cash flow from operating activities

The Group generated positive net cash flow from operating activities of approximately S$1.9 million, S$1.4 million, S$1.0 million and S$2.5 million for FY2020, FY2021, FY2022 and HY2023 respectively.

The Directors confirmed that, to the best of their knowledge, as at the Latest Practicable Date and save for matters disclosed in the Circular, this Letter, the Group's unaudited financial statements for HY2023 and the audited financial statements for FY2022, and the Company's announcements on the SGXNET, there have been no material changes to the Group's assets and liabilities, financial position, condition and performance.

(viii) Outlook

In the Group's results announcement for HY2023, the Company stated the following commentary on the significant trends and competitive conditions of the industry in which the Group operates and factors or events that may affect the Group in the next reporting period and the next 12 months:

"With the global re-opening of borders by countries further enhanced by the recent opening up of the People's Republic of China, the economic situation is expected to improve owing to the inflow of foreigners into China and the outflow of Chinese travellers to the rest of the world. This will augur well for travel-related businesses such as airlines, retail, casinos, hotels and other accommodation.

The Group will strategise for its mainstay hospitality business to try to ride on this rising momentum by enlarging its operating footprints in popular travellers' destinations such as Japan and Korea.

In this respect, the Group opened its first Travelodge hotel in Japan in October 2022, followed by a second and third in January and February 2023 respectively. One more hotel is scheduled to be opened in the coming months.

The Group also see visible increases in visitor arrivals in the other countries which it manages hotels and will be taking steps to harness the potential additional business.

These positive news are however set against a negative backdrop of high inflation, high interest rates and labour shortages in the hospitality industry. The higher financing costs arising from high interest rates, together with high inflation has resulted in increasing operating costs. This is exacerbated further by labour shortage in the hospitality business. The Group would thus be faced with increasing costs of operations and manpower problems. In order to mitigate these, it will have to try to streamline its operating systems including getting its employees to multi-task effectively.

Overall, the Group will adopt a balanced, cautionary approach in expanding its hospitality business in the near term."

7.2 THE GROUP'S NAV AND NTA ANALYSIS

The NAV based approach of valuing a company or group is based on the aggregate value of all the assets of the company in their existing condition, after deducting the sum of all liabilities of the company and minorities' interests (or non-controlling interests). The NAV based approach is meaningful as it shows the extent to which the value of each share is backed by both tangible and intangible assets and would be relevant in the event that the company or group decides to realise or convert the use of all or most of its assets. The NAV based approach in valuing a company may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets (including but not limited to any property, plant and equipment, intangible assets, land use rights, goodwill, trademarks and brand names) in an orderly manner or over a reasonable period of time and at the aggregate value of the assets used in the computation of the NAV, the proceeds of which are used to settle the liabilities, minority interest (or non-controlling interests) and obligation of the company or group with the balance to be distributed to its shareholders. However, the NAV approach does not take into account the hypothetical sale of assets in a non-orderly manner or over a short period of time. In addition, it does not illustrate the values at which assets may actually be realised or disposed of.

The NTA based approach of valuing a company or group is based on the aggregate value of all the assets of the company in their existing condition, after deducting the sum of all liabilities, minority interest (or non-controlling interests) and intangible assets of the company. The NTA based approach is meaningful as it shows the extent to which the value of each share is backed by tangible assets and would be relevant in the event that the company or group decides to realise or convert the use of all or most of its assets. The NTA based approach in valuing a company may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets (other than intangible assets) in an orderly manner over a reasonable period of time at the aggregate value of the assets used in the computation of the NTA, the proceeds of which are used to settle the liabilities, minority interest (or non-controlling interests) and obligation of the company or group, with the balance to be distributed to its shareholders. However, the NTA based approach does not take into account or consideration the presence of any intangible assets including but not limited to (where applicable) goodwill, trademarks and brand names nor does it take into account the hypothetical sale of assets in a non-orderly manner or over a short period of time. It does not illustrate the values of which assets may actually be realised or disposed of.

NAV and NTA of the Group

In assessing the Offer Price of S$0.007 for each Offer Share, in relation to the NAV and NTA per Share of the Group as at 31 December 2022, we have reviewed the unaudited consolidated statement of financial position of the Group as at 31 December 2022 to determine whether there are any assets that are of an intangible nature and as such would not appear in a valuation based on the NTA approach, but would be included in the NAV approach. Save as disclosed in the unaudited balance sheet of the Group as at 31 December 2022 as well as the Circular, the Directors have confirmed, that as at the Latest Practicable Date, to the best of their knowledge and based on disclosures made available to them, there are no other intangible assets or tangible assets which ought to be disclosed in such unaudited statement of financial position as at 31 December 2022 in accordance with Singapore Financial Reporting Standards (International) and which have not been so disclosed and where such intangible or tangible assets would have had a material impact on the overall financial position of the Group as at Latest Practicable Date.

The Directors have also confirmed that as at the Latest Practicable Date, there were, *inter alia,* no material contingent liabilities, bad or doubtful debts or unrecorded earnings or expenses or assets or liabilities which could have a material impact on the NAV or NTA of the Group as at 31 December 2022, save as disclosed in the unaudited financial statements of the Group as at 31 December 2022 and the Circular. In addition, the Directors are of the opinion that save as disclosed in the Circular, the values of the assets (other than those for which valuation has been conducted, where applicable), and liabilities as well as financial performance or condition of the Group as disclosed and reflected in the unaudited financial statements of the Group as at 31 December 2022 are true and fair. Lastly, the Directors confirmed that, to the best of their knowledge or belief, such information is true, complete and accurate in all respects and that there is no other information or fact, the omission of which would render those statements or information, including our references, as well as analysis of such information to be untrue, inaccurate or incomplete or misleading in any respect.

Unaudited Consolidated Statement of Financial Position for the Group as at 31 December 2022[1]	**S$'000**
Non-current assets	
PPE	40,877
Intangible assets[2]	7,262
Associate and joint venture	2,071
Other investments	380
Other receivables	1,159
Right-of-use assets	48
	51,797
Current assets	
Trade and other receivables	1,818
Inventories	6
Cash and cash equivalents	5,736
	7,560
Non-current liabilities	
Loans and borrowings	18,295
Deferred tax liability	1,276
	19,571
Current liabilities	
Loans and borrowings	2,806
Amount due to non-controlling interests	1,312
Trade and other payables	1,979
Lease liabilities	48
Income tax payable	34
	6,179
NAV including non-controlling interests as at 31 December 2022	**33,607**
Non-controlling interests	(8,061)
NAV attributable to owners of the Company as at 31 December 2022	**25,546**
Less: Intangible asset	(7,262)
NTA attributable to owners of the Company as at 31 December 2022	**18,284**
NAV per Share (S$)[3]	**0.0077**
NTA per Share (S$)[3]	**0.0055**
Offer Price (S$)	**0.0070**
Discount of Offer Price from the Group's NAV per Share (%)	**(8.7)%**
Premium of Offer Price over the Group's NTA per Share (%)	**27.6%**

Notes:

(1) The figures above are based on the Group's unaudited financial statements for HY2023. Figures and computations above are subject to rounding.

(2) Intangible assets relate to the Travelodge trademark, goodwill and software.

(3) Figures are computed based on the Company's issued Share capital of 3,332,944,326 Shares as at the Latest Practicable Date. Based on the Company's issued Share capital of 3,111,689,122 Shares as at 31 December 2022, the Group's NAV and NTA per Share would be approximately S$0.0082 and S$0.0059 respectively. The Offer Price represents a discount of approximately 14.7% from the Group's NAV per Share as at 31 December 2022 and a premium of approximately 19.1% over the Group's NTA per Share as at 31 December 2022.

For illustrative purposes only, the Offer Price represents: (a) a discount of approximately 8.7% from the Group's NAV per Share as at 31 December 2022; and (b) a premium of approximately 27.6% over the Group's NTA per Share as at 31 December 2022.

Adjusted NAV and NTA

On 7 March 2023, the Company announced that its wholly-owned subsidiary, Midscale Hotel Investments Pte. Ltd., had, on the same date, entered into sale and purchase agreements (the "**MHI SPAs**") for the acquisition of an additional 11.6% equity interest in MHI MY 1 Pte. Ltd. ("**MHI**") for an aggregate consideration of approximately S$2.0 million (the "**MHI Acquisition**"). The said consideration for MHI Acquisition was satisfied by issuance and allotment of 221,255,204 new Shares at an issue price of S$0.009 per new Share. Following the completion of the MHI Acquisition on 28 March 2023, the Group's effective interest in MHI increased from approximately 73.3% to approximately 84.9%.

The Directors and the Management have represented and confirmed that the effects of the MHI Acquisition on the Group's NAV and NTA as at 31 December 2022 are as follow:

Adjusted NAV and NTA [(1)]	**S$'000**
NAV attributable to owners of the Company as at 31 December 2022	25,546
Add: effect of issuance of 221,255,204 new Shares for the MHI Acquisition	1,991
NAV adjusted for MHI Acquisition (the "Adjusted NAV")	**27,537**
Less: Intangible assets	(7,262)
NTA adjusted for MHI Acquisition (he "Adjusted NTA")	**20,275**
Adjusted NAV per Share (S$)[(2)]	**0.0083**
Adjusted NTA per Share (S$)[(2)]	**0.0061**
Discount of Offer Price from the Group's Adjusted NAV per Share (%)	**(15.3)%**
Premium of Offer Price over the Group's Adjusted NTA per Share (%)	**15.1%**

Notes:

(1) Figures and computations above are subject to rounding.

(2) Figures are computed based on the Company's issued Share capital of 3,332,944,326 Shares as at the Latest Practicable Date.

For illustrative purposes only, the Offer Price represents: (a) a discount of approximately 15.3% from the Group's Adjusted NAV per Share; and (b) a premium of approximately 15.1% over the Group's Adjusted NTA per Share.

Revalued NAV ("RNAV") and Revalued NTA ("RNTA")

In our evaluation of the Offer Price, we have also considered whether there are any assets which should be valued at an amount that is materially different from that which are recorded in the unaudited statements of financial position of the Group as at 31 December 2022.

The Company had commissioned the Independent Valuers to determine the market value of the Hotel Property and the fair value of the two vessels (the "**Vessels**") owned by the Group, as at the relevant valuation dates, for the purposes of the Offer and the Circular.

Collectively, the above assets which are subject to valuation will be termed the "**Appraised Assets**". Shareholders should note and review carefully the contents of the Independent Valuation Reports (which are set out in Appendices VI and VII of the Circular and made available for inspection) in its entirety including the assumptions made and the basis for the assumptions.

Shareholders should note that valuations were obtained for the Group's Appraised Assets with an aggregate net book value of approximately S$42.0 million as at 31 December 2022 (or approximately 70.8% of the

Group's total assets as at 31 December 2022). No valuation was obtained for the Group's remaining assets with an aggregate net book value of approximately S$17.3 million as these "unvalued" remaining assets of the Group comprises:

(i) furniture and fittings and computer equipment of approximately S$13,000 (or approximately 0.02% of total assets of the Group);

(ii) investment in associate and joint venture, intangible assets (save for goodwill), other investments, other receivables, and right-of-use assets of approximately S$9.8 million (or approximately 16.4% of total assets of the Group); and

(iii) current assets (including cash and cash equivalents of the Group) of approximately S$7.6 million (or approximately 12.7% of total assets of the Group).

A summary of the Appraised Assets, their valuation methods, valuation dates, the respective book values market values as at 31 December 2022 is summarised below.

- Selected assets under the Group's PPE with an aggregate net book value of approximately S$42.0 million as at 31 December 2022 with details as follow:

Description of Assets	**Valuation method**	**Valuation Date**	**Net book value as at 31 December 2022 (S$'000)[(1)]**	**Market value as at respective valuation dates (S$'000)[(1)]**
Hotel Property, being Travelodge Chinatown Kuala Lumpur, No. 7, Jalan Hang Kasturi, City Center, 50050 Kuala Lumpur An operational 198-room hotel building along with ground floor commercial / retail space(s) and 22 basement car parking bays	Income approach by discounted cash flow method, supported by the comparison approach[(2)]	30 June 2023	30,902	30,923[(3)]
2 Vessels: (1) Motor Tanker "Bayan" Steel petroleum product tanker, 2,756 gross tons Year built: 2009/2010 (2) Motor Tanker "Como" Steel petroleum product tanker, 2,756 gross tons Year built: 2010	Replacement cost method[(4)]	30 June 2023	11,129[(5)]	10,100

Notes:

(1) Figures (including computations and summation) are subject to rounding.

(2) KF has carried out a DCF analysis over a 5-year investment horizon by using ARGUS Enterprise - Property Valuation Software (for projected revenue + expenses of hotel). ARGUS Enterprise is the global standard for property valuation and most comprehensive asset and portfolio management solution.

For the hotel and car park, a capitalisation rate of 6.00% is used, benchmarked against the existing yields of selected hotel buildings reflecting the current market condition; which are in the region of 5.90% to 6.17%. KF has thus adopted a capitalisation rate / all-risk yield of 6.00%; as in their opinion, it is the most probable expected rate of return achievable at current moment for the subject property. An 8.00% discount rate (which is a risk-weighted factor) is used to calculate the net present value of the future cash flows from the asset till the time of exit, which is about 2.00% higher than the expected rate of return to reflect additional risk premium of the asset.

For the commercial/retail space, a capitalisation rate of 5.50% is used, benchmarked against the existing yields of selected commercial shop-offices within the surrounding vicinity, reflecting the current market condition; which are in the region of

5.08% to 6.00%. KF has thus adopted a capitalisation rate / all-risk yield of 5.50%; as in their opinion, it is the most probable expected rate of return achievable at current moment for the subject property. A discount rate of 7.50% is adopted for the subject property, which is about 2.00% higher than the expected rate of return to reflect additional risk premium of the asset.

*The Hotel Valuation Certificate was prepared in conformity with the the Singapore Institute of Surveyors and Valuers ("**SISV**") Practice Guidelines and the Malaysian Valuation Standards ("**MVS**") published by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.*

(3) Based on the relevant exchange rate for RM1: S$0.2909 (or approximately S$1: RM3.4376) as at the Valuation Date.

(4) The following has been extracted from the Vessel Desktop Valuation Reports:

*"**Desktop Valuation Approach***

Without physically inspecting the vessel at this time, we have considered the following factors in determining the estimated current fair value of the vessel.

1) The vessel is equipped, classified and certified as a Category "A" Bunker Tanker, complete with Mass Flow Meter, in compliance with the requirements of the Maritime and Port of Singapore Authority for bunker quantity transfers to vessels within the Singapore Port Limits.

2) The design, type, size, equipment and machinery provided for her trade as a Category A Bunker Tanker.

3) The age of the vessel and her projected economical life-span.

4) The supply and demand of this type of vessel in the market.

5) Our valuation approach is based on the replacement cost methodology. We consider the estimated current new-building price of a similarly built vessel and adjust its value based on her corresponding age.

6) The estimated fair value refers to the price that would be paid on a "willing buyer willing seller" basis at the valuation date.

7) This valuation has been prepared in accordance with the standard of the International Valuation Standards Council."

(5) The sum of book value of the Vessels recorded under PPE of approximately S$10.0 million and goodwill relating to the Vessels of approximately S$1.2 million as at 31 December 2022.

The Directors represented and confirmed that:

(i) Each of the Independent Valuers have no present or contemplated interest in any of the Appraised Assets which are the subject of the relevant valuation reports and are independent.

(ii) The directors and substantial shareholders of each of the Independent Valuers are not related to the Company, its subsidiaries, Directors and substantial Shareholders, the Offeror and his Concert Parties and, where applicable, their respective directors or substantial shareholders.

(iii) Each of the Independent Valuers have no other dealings in relation to the Shares, and Appraised Assets save for the valuation of the relevant Appraised Assets undertaken by each of them for the Company.

(iv) The Directors have considered each of the Independent Valuers' track record and credentials, and believes that the valuation conducted by the Independent Valuers were conducted independently by qualified and competent valuation professionals in accordance to the relevant standards.

(v) The Directors having reviewed the Valuation Reports issued by the Independent Valuers (*inter alia*, the assumptions, estimates, methodology used and information relied upon by the Independent Valuers) as a whole and for which they have relied on to provide the relevant estimates in this Section, are of the opinion that the assumptions and methodology used by the Independent Valuers, as well as the valuation conclusion and limitation(s) as disclosed in the Independent Valuation Reports are reasonable, satisfactory and acceptable. The Directors are of the view that the estimated values of the Appraised Assets, as at the Latest Practicable Date would not be materially different from that as at the Valuation Date, and that the Appraised Assets of the Group are fairly stated. The potential tax liabilities that may be incurred by the Company on the hypothetical disposal of the Appraised Assets is approximately S$635,721 based on the relevant exchange rate (where applicable) as at the Latest Practicable Date.

(vi) The Directors are aware of and satisfied with the selection of the Appraised Assets for the valuation exercise and the valuation dates for the respective Appraised Assets. The Appraised Assets accounted for approximately 70.8% of the Group's total assets of approximately S$59.4 million as at 31 December 2022. The remaining assets which are not subject to valuation as described in this Section accounted for approximately 29.2% of the Group's total assets as at 31 December 2022. As at the Latest Practicable Date, on aggregate basis, there are no material differences between the estimated market value of all the Group's assets for which no valuation was obtained, and their respective book value.

(vii) To their best knowledge and belief, as at the Latest Practicable Date, save as disclosed in the unaudited financial statements of the Group as at 31 December 2022, the announcements released by the Company on the SGXNET and the Circular, there have been no known material events that have or will have material impact on the unaudited statement of financial position of the Group, i*nter alia*, assets and liabilities of the Group, since 31 December 2022.

(viii) As at the Latest Practicable Date, save as disclosed in this Letter or the Circular, the Directors have confirmed that there has been no intention to dispose of any of the assets and PPE owned by the Group and as at the Latest Practicable Date, there has been no firm offer for any of the PPE owned by the Group. As such, the aforesaid tax liabilities, if any, in respect of the Appraised Assets are not likely to crystallise.

We have not made any independent evaluation or appraisal of the Group's assets and with respect to such valuation, we are not experts in the evaluation or appraisal of the Appraised Assets and have relied on the opinion of and confirmation from the Directors as set out above.

For illustrative purpose only, the revaluation surplus/ (deficit) for the Appraised Assets have been calculated and presented in the table below assuming a hypothetical sale of the Appraised Assets at the market values as indicated and confirmed by the Directors, wherein the proceeds of such sale are distributed to the Shareholders.

RNAV and RNTA[(1)]	**S$'000**
Market value of Hotel Property	30,923
Less: book value of Hotel Property as at 31 December 2022	(30,902)
Revaluation surplus for Hotel Property	**21**
Market value of Vessels	10,100
Less: book value of Vessels as at 31 December 2022	(11,129)
Revaluation deficit for Vessels	**(1,029)**
Adjusted NAV	27,537
Less: Aggregate revaluation deficit for the Appraised Assets	(1,008)
Less: Potential tax liabilities[(2)]	(636)
RNAV	**25,893**
Less: Intangible Assets[(3)]	(6,233)
RNTA	**19,660**
RNAV per Share (S$)[(4)]	**0.0078**
RNTA per Share (S$)[(4)]	**0.0059**
Discount of Offer Price from the Group's RNAV per Share (%)	**(9.9)%**
Premium of Offer Price over the Group's RNTA per Share (%)	**18.7%**

Notes:

(1) Figures and computations above are subject to rounding.

(2) *Potential tax liabilities figure is provided and confirmed by Directors and Management based on the hypothetical disposal of the Appraised Assets.*

(3) *The Management represented that the revaluation deficit for the Vessels will reduce goodwill, resulting in a reduction of intangible assets to approximately S$6.2 million.*

(4) *Figures are computed based on the Company's issued Share capital of 3,332,944,326 Shares as at the Latest Practicable Date.*

Based on the table above, after taking into account the market value and/or the fair value of the Appraised Assets and the potential tax liabilities, the Group's RNAV and RNTA amounted to approximately S$25.9 million (or approximately S$0.0078 per Share) and approximately S$19.7 million (or approximately S$0.0059 per Share), respectively. Hence, the Offer Price of S$0.007 for each Offer Share represents a discount of approximately 9.9% and a premium of approximately 18.7% from and over the Group's RNAV and RNTA per Share respectively.

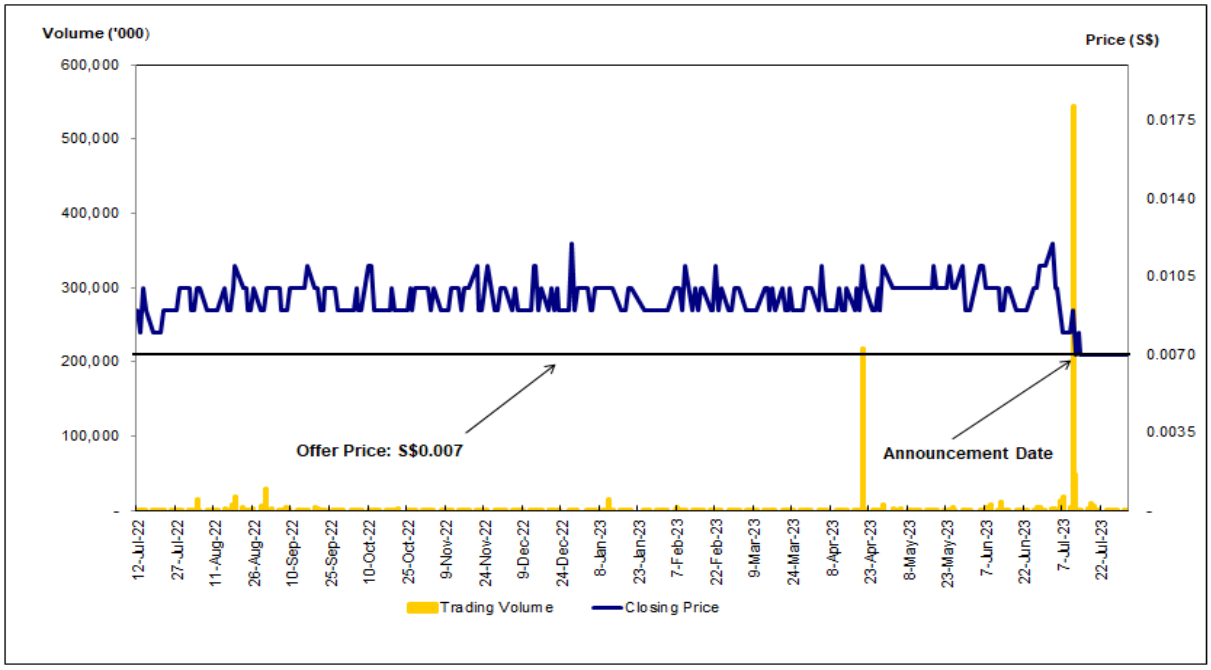
We wish to highlight that although the RNAV and RNTA shown above include revaluation deficits on the Appraised Assets, Shareholders should note that the Group has not realised the deficits on the Appraised Assets as at the Latest Practicable Date, and that there is no assurance that the revaluation deficits eventually recorded by the Group on the Appraised Assets as described above (in the event, *inter alia*, they are disposed) will be the same as that indicated above.

The above computations and analysis are meant as an illustration and it does not necessary mean or imply that the net realisable value of the Group is as stated above. It also does not imply that the assets or properties of the Group can be disposed of at the estimated values indicated above, and that after payment of all liabilities and obligations, the values or amounts as indicated for the respective types of NAV or NTA (where applicable) are realisable or distributable to the shareholders of the Group.

It should be noted that the NTA basis of valuation provides an estimate of the value of a hypothetical sale of all its tangible assets over a reasonable period of time, and is only relevant in the event that the Company decides to change the nature of its business or to release or convert the uses of all its assets. The NTA basis of valuation, however, does not necessarily reflect the value of the Company as a going concern nor can it capture or illustrate any value for the Company's goodwill or branding. In addition, it does not illustrate the values at which the assets may actually be realised or disposed.

7.3 MARKET QUOTATION AND TRADING ACTIVITIES FOR THE SHARES

The historical price and volume charts for the Shares (based on the closing prices together with the number of Shares traded on a daily basis) for the period commencing from 12 July 2022 (being the Market Day 12 months prior to the Offer Announcement Date) and ending on the Latest Practicable is set out below:–



Source: *www.shareinvestor.com*

For the period commencing from 12 July 2022 and ending on 10 July 2023, being the last full day of trading in the Shares prior to the Offer Announcement Date (the "**Last Trading Day**") (both dates inclusive), we note that the Shares were traded on 250 Market Days out of a total 250 Market Days (or 100%) and the closing prices for the Shares during the said period were always higher than the Offer Price. For the same period, the transacted prices for the Shares were always higher than the Offer Price, save for 1 Market Day out of the total 250 Market Days, whereby the lowest transacted price for the Shares was in line with the Offer Price.

For the period commencing on the Market Day immediately after the Offer Announcement Date to the Latest Practicable Date, the Shares were traded on 15 Market Days out of a total 15 Market Days. During the said period, the closing prices for the Shares were higher than the Offer Price for only 1 Market Day out of the total 15 Market Days and maintained at the Offer Price for 14 Market Days out of the total 15 Market Days. We note that closing prices for the Shares declined by approximately 12.5% from the Last Trading Day to close at S$0.007 as at the Latest Practicable Date

As a general market comparison and observation, the FTSE Straits Times Catalist Index (the "**Catalist Index**") declined by approximately 14.5% for the period commencing from 12 July 2022 and ending on 10 July 2023, being the Last Trading Day. The Catalist Index then declined further by approximately 0.6% to the Latest Practicable Date. For the same period commencing from 12 July 2022 and ending on 10 July 2023, being the Last Trading Day, the closing price for the Shares declined by approximately 11.1% and remained flat at S$0.007 (after the announcement of the Offer) till the Latest Practicable Date. We observed that the Shares appeared to have outperformed the Catalist Index for both the 12-month period up to and including the Last Trading Day and the period commencing immediately after the Offer Announcement Date till the Latest Practicable Date.

The above chart and the analysis below is presented for illustrative purposes only, and they are by no means representative of the future trading performance or prices for the Shares.

The volume-weighted average price ("**VWAP**"), the highest and lowest transacted prices and the average daily trading volume for the Shares, for the period commencing from 12 July 2022 to the Latest Practicable Date are set out below:

	VWAP per Share[(1)] (S$)	Premium/ (Discount) of the Offer Price over/ (from) VWAP per Share (%)	Lowest transacted price (S$)	Highest transacted price (S$)	Average daily trading volume[(2)] (Shares)	Average daily trading volume as % of free-float[(3)] (%)
For the period 12 months prior to the Last Trading Day						
Last 12 months	0.0098	(28.6)%	0.007	0.012	1,952,175	0.1221%
Last 6 months	0.0098	(28.6)%	0.007	0.012	2,893,352	0.1810%
Last 3 months	0.0099	(29.3)%	0.007	0.012	5,183,716	0.3243%
Last 1 month	0.0093	(24.7)%	0.007	0.012	3,080,280	0.1927%
Last transacted price on 10 July 2023 (being the Last Trading Day) [(4)]	0.0080	(12.5)%	0.008	0.009	3,586,200	0.2244%
Last transacted price on 11 July 2023 (being the Offer Announcement Date)[(5)]	0.0090	(22.2)%	0.007	0.009	544,139,371	34.04%
Last transacted price before the Acquisition on 11 July 2023 (being the Offer Announcement Date)[(5)]	0.0080	(12.5)%				
For the period commencing on the Market day immediately after the Offer Announcement Date to the Latest Practicable Date						
Till the Latest Practicable Date	0.0072	(2.3)%	0.007	0.008	4,657,167	0.2914%
Last transacted price on 1 August 2023 (being the Latest Practicable Date)	0.0070[(6)]	0.0%	0.007	0.008	514,400	0.0322%

***Source**: www.shareinvestor.com*

Notes:

The figures presented in the above table represent transactions captured in the SGX-ST, as such certain off market transactions may not have been reflected.

(1) The VWAP had been weighted based on the transacted prices of the Shares and traded volumes for the relevant trading days for each of the periods.

(2) The average daily trading volume of the Shares is calculated based on the total number of Shares traded during the period divided by the number of Market Days during that period.

*(3) Free float refers to the approximately 1,598,451,126 Shares or approximately 47.96% of the issued Shares held by public Shareholders ("**Public Shareholders**"), other than the substantial Shareholders (including the Offeror and his Concert Parties) and the Directors as at the Latest Practicable Date and as enumerated in the Circular.*

(4) This represents the last transacted price instead of VWAP for the Shares on 10 July 2023, being the Last Trading Day immediately prior to the Offer Announcement Date.

(5) On the Offer Announcement Date, there were 544,139,371 Shares traded and the last transacted price for the Shares was S$0.009 before the trading for the Shares were halted. Given the large trading volume for the Shares on the Offer Announcement Date prior to the trading halt, we have evaluated transactions for the Shares on the Offer Announcement Date. The Offer was announced on 11 July 2023 after the trading halt and market closed.

We understand from the Company that the last transacted price for the Shares before the Acquisition by the Offeror and prior to the trading halt on the Offer Announcement Date was S$0.008. Subsequent to the Acquisition, the closing or last transacted price for the Shares immediately prior to the trading halt was S$0.009.

(6) *The VWAP on 1 August 2023, being the Latest Practicable Date, is also S$0.007.*

Based on a general observation of the chart above and after taking into account the summary of the transacted prices for the Shares, we note that the Offer Price represents:

(i) a discount of approximately 12.5% from: (a) the last transacted price of S$0.008 per Share on the SGX-ST on 10 July 2023, being the Last Trading Day prior to the Offer Announcement Date, and (b) the last transacted price of S$0.008 per Share on the SGX-ST immediately prior to the Acquisition and prior the trading halt on the Offer Announcement Date;

(ii) a discount of approximately 28.6%, 28.6%, 29.3% and 24.7% from the VWAP for the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Last Trading Day respectively;

(iii) a discount of approximately 41.7% from the highest transacted prices for the Shares for each of the 12-month, 6-month, 3-month and 1-month periods prior to the Last Trading Day respectively;

(iv) is in line with the lowest transacted price for the Shares on 1 Market Day out of the total 250 Market Days for the 12-month period prior to the Last Trading Day. For the remaining 249 Market Days out of the total 250 Market Days, the transacted prices for the Shares were always higher than the Offer Price;

(v) a discount of approximately 22.2% from the last transacted price of S$0.009 per Share on the SGX-ST on 11 July 2023, being the Offer Announcement Date;

(vi) a discount of approximately 2.3% from the VWAP for the Shares for the period commencing on the Market Day immediately after the Offer Announcement Date and ending on the Latest Practicable Date; and

(vii) in line with the last transacted price for the Shares of S$0.007 on the SGX-ST on 1 August 2023, being the Latest Practicable Date.

We further note that on 20 April 2023, there were 218,671,600 Shares traded and the volume weighted average price for the Share was S$0.010 ("**Transactions on 20 April 2023**") (please refer to Section 8.10 of this Letter). In the event that the Transactions on 20 April 2023 were excluded, the discount of the Offer Price from the VWAP for the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Last Trading Day would not be materially different from those shown in the table above wherein the Transactions on 20 April 2023 were included.

For illustrative purposes only, based on the number of Shares traded on a daily basis during the period commencing from 12 July 2022 and ending on the Latest Practicable Date, we note that:

(i) from 12 July 2022 to 10 July 2023, being the Last Trading Day (both dates inclusive), Shares were traded on 250 Trading Days out of the total 250 Market Days during the period, with the total number of Shares traded being approximately 488.0 million Shares and an average daily trading volume (based on a total of 250 Market Days) of approximately 2.0 million Shares, which represents approximately 0.06% of the issued Shares (other than treasury Shares) as at the Latest Practicable Date or approximately 0.12% of the issued Shares (other than treasury Shares) held by Shareholders other than the substantial Shareholders (including the Offeror and his Concert Parties) and the Directors as at the Latest Practicable Date. In the event the Transactions on 20 April 2023 were excluded, the average daily trading volume for the said period would be approximately 1.1 million only; and

(ii) for the period commencing on the Market Day immediately after the Offer Announcement Date till the Latest Practicable Date (both dates inclusive), Shares were traded on 15 Trading Days out of the total 15 Market Days during the period, with the total number of Shares traded being approximately 69.9 million Shares and an average daily trading volume of approximately 4.7 million Shares, which represents approximately 0.14% of the issued Share capital (other than treasury Shares) as at the

Latest Practicable Date or approximately 0.29% of the issued Share capital (other than treasury Shares) held by Shareholders other than the substantial Shareholders (including the Offeror and his Concert Parties) and the Directors as at the Latest Practicable Date. In addition, we note that for the period commencing on the Market Day immediately after the Offer Announcement Date till the Latest Practicable Date (both dates inclusive), the closing prices for the Shares were mostly in line with the Offer Price.

We note that trading for the Shares is erratic and that the daily average number of Shares traded during the 12-month period prior to the Last Trading Day is low as compared to the number of issued Shares held by Shareholders other than the Substantial Shareholders (including the Offeror and his Concert Parties) and the Directors as at the Latest Practicable Date. However, the trading activities for the Shares appear to be relatively active in the context of number of Market Days, albeit with low volumes. Shares were traded on every Market Day during the 12-month period prior to the Offer Announcement Date. It is generally accepted that the more actively traded the shares, the greater the reliance on market prices as a determination of the fair value of the shares between willing buyer and willing seller. Whilst historically transacted prices for the Shares may not be a meaningful indicator of its fundamental value in view of the lack of liquidity for the Shares (in terms of number of Shares traded on the daily basis *vis-à-vis* the frequency of trading), they nonetheless represent the prices for transactions between willing buyer and willing seller.

We also note that the number of Shares that were traded on a daily basis for the period commencing on the Market Day immediately after the Offer Announcement Date till the Latest Practicable Date is higher than the number of Shares that were traded on a daily basis for all periods during the 12 months prior to the Last Trading Day (in particular in the event the Transactions on 20 April 2023 are excluded). Subsequent to the Offer Announcement Date, the prices for the Shares declined and the average daily trading volume for the Shares increased. There is no assurance that the observed increase in the average number of Shares traded on a daily basis or the trading activities for the Shares will be maintained or that the transacted prices for the Shares will be the same and at the levels prevailing during the period commencing on the Market Day immediately after the Offer Announcement Date and ending on the Latest Practicable Date in the event that the Offer closes.

Independent Directors should note that whilst the Offer may present an opportunity for the Shareholders to realise their entire investment for cash in view of the low liquidity of the Shares (in terms of number of Shares traded on daily basis) during the periods observed prior to the Offer, the Offer Price is in general at a discount to the historical traded prices or VWAP for the Shares.

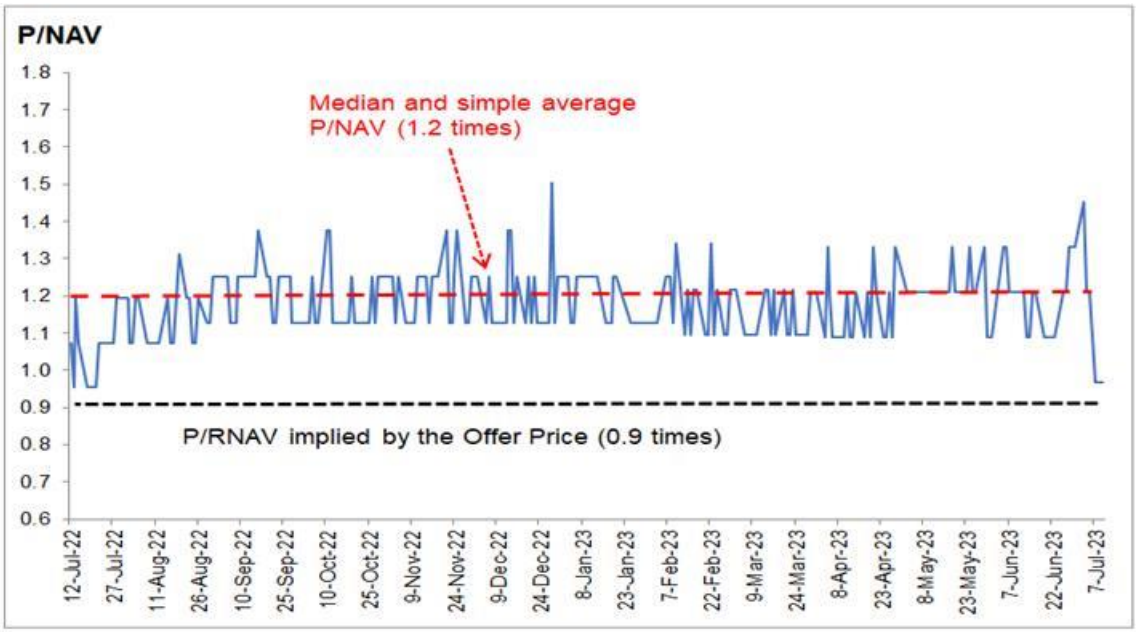
However, it should be noted that in the absence of the Offer, such an exit for all Shareholders other than the Offeror and his Concert Parties may not be readily available due to the low trading liquidity for the Shares (in terms of number of Shares traded on the daily basis).

Independent Directors should also note that the past trading performance for the Shares may not be relied upon as an indication or promise of its future trading performance.

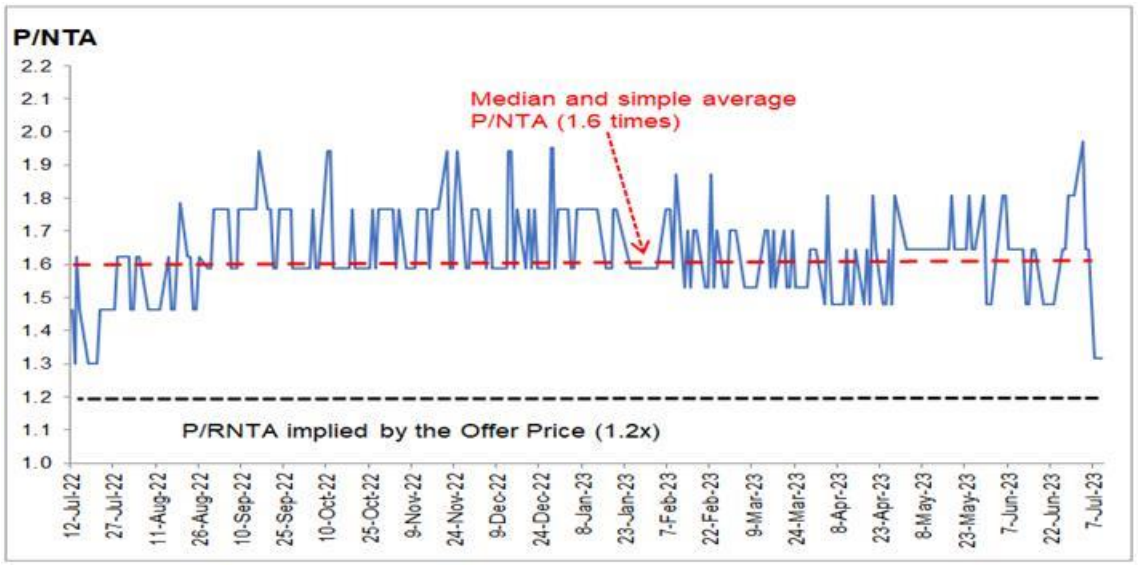
Daily historical prices of Shares against the Group's trailing NAV per Share and NTA per Share

We have compared the historical premiums/discounts of the daily closing prices of the Shares over/from the Group's daily NAV per Share and NTA per Share (based on the daily closing prices, the relevant NAV and NTA per Share on a daily basis pursuant to, *inter alia,* announced audited and unaudited results of the Company and the number of issued Shares) over a period commencing from 12 July 2022, being the 12 months prior to the Offer Announcement Date, and ending on the Last Trading Day (the "**Review Period**").

Historical trailing P/NAV



Historical trailing P/NTA



	Offer Price/ Adjusted NAV	**0.8**	**Offer Price/ Adjusted NTA**	**1.2**
	Offer Price/ RNAV	**0.9**	**Offer Price/ RNTA**	**1.2**

Period	**P/NAV**		**P/NTA**	
	Median	Simple Average	Median	Simple Average
Last 12 months	1.2	1.2	1.6	1.6
Last 6 months	1.2	1.2	1.6	1.6
Last 3 months	1.2	1.2	1.6	1.6
Last 1 month	1.1	1.2	1.6	1.6
Last Trading Day	1.0	1.0	1.3	1.3

From the above charts and tables, we note the following:

(i) the ratios of the Offer Price to the Group's Adjusted NAV and NTA per Share or the Group's RNAV and RNTA per Share are lower than both the median and the simple average for the historical daily trailing P/NAV and P/NTA ratios (based on the daily closing prices, the relevant NAV per Share and NTA per Share on a daily basis pursuant to, *inter alia,* announced audited and unaudited results of the Company and the number of issued Shares) for all periods for the last 12 months prior to the Last Trading Day (save for P/NTA as at the Last Trading Day); and

(ii) the Offer undervalues the Shares in terms of the P/NAV and P/NTA ratios as compared to the ratio of the historical market closing prices as compared to its relevant NAV per Share and NTA per Share, as ascribed by the market, where an aggregate of approximately 488.0 million Shares (or approximately 14.6% of the total issued Shares) were traded for the 12 months period prior to the Last Trading Day. Shareholders should note that the historical daily trailing P/NAV and P/NTA ratios for all periods during the last 12 months prior to the Last Trading Day, as shown in the tables above, does not take into account the fact that generally a premium is expected to be paid for statutory control pursuant to a mandatory general offer and one that is conditional at the onset.

7.4 COMPARISON WITH SELECTED NON-PRIVATISATION MGO TRANSACTIONS

For the purpose of providing an illustrative guide as to whether the financial terms of the Offer are fair and reasonable, we have compared the financial terms of the Offer with selected recently completed mandatory general offers for companies listed on SGX-ST, which were announced since January 2020 to the Latest Practicable Date and wherein offerors had indicated their intention to preserve the listing status of the target companies and these companies continued to be listed after the close of their respective offers, and where such offers were either: a) unconditional at the commencement of the offer; or b) conditional at the commencement of the offer, but subsequently became unconditional on or prior to the close of the offer (the "**Selected Non-Privatisation MGO Transactions**").

In making the comparison herein, we wish to highlight that the companies selected and covered herein (the "**Selected Takeover Companies**") are not directly comparable to the Company and may differ largely from the Company in terms of, *inter alia*, size and scale of operations, type and/or composition of business activities and specialisation, asset base, geographical spread, track record, customers and suppliers, financial performance, capital structure, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria.

We wish to highlight that other than the criteria mentioned above, the premium or discount that an offeror pays in any particular take-over varies in different specific circumstances depending on, *inter alia*, factors such as the potential synergy the offeror can gain by acquiring the target, the prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets, the possibility of a significant revaluation of the assets to be acquired, existence of intangibles and branding or "internal goodwill or intangible assets", the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence of competing bids for the target company and the existing and desired level of control in the target company.

The data used in the table and the companies listed below have been compiled from publicly available information and serves as a guide as to the valuation ratios in connection with takeover of companies listed on the SGX-ST without regard to their specific industry characteristics or other considerations. Each of the offers for Selected Non-Privatisation MGO Transactions must be judged on its own commercial and financial merits, including the particular circumstances, (*inter alia,* operational, business, and compliance with rules, regulations and laws) of the Selected Comparable Companies as well as the Company during the relevant time when the offers were made. The lists of target companies involved in the Selected Non-Privatisation MGO Transactions are by no means exhaustive and as such any comparison made only serves as an illustration.

Selected Non-Privatisation MGO Transactions

Company	Date of announcement	% shareholding of the offeror and concert parties at the start of transaction[1]	Last transacted price prior to announcement (%)	Premium/(Discount) of offer price over/(from) VWAP for 1 month period prior to announcement (%)	VWAP for 3 month period prior to announcement (%)	VWAP for 6 month period prior to announcement (%)	VWAP for 12 month period prior to announcement (%)	P/NAV (times)[2]
TEE Land Limited (currently known as Amcorp Global Limited)[3]	13-Jan-20	68.8	5.9	12.1	19.6	20.4	14.7	0.6[4]
Axington Inc.	1-Jun-20	66.9	43.5	40.1	41.3	78.6	205.2	1.3[5]
TEE International Limited	7-Jul-20	36.8	12.7	12.7	25.2	(11.1)	(33.7)	1.0[6]
Blumont Group Ltd. (currently known as Southern Archipelago Ltd.)	16-Nov-20	50.8	(80.0)	(79.4)	(80.6)	(80.0)	(82.1)	1.1[7]
Lum Chang Holdings Limited	17-Nov-20	42.7	8.6	8.6	8.7	8.8	10.3	0.5[8]
Transit-Mixed Concrete Ltd (currently known as Abundante Limited)	20-Feb-21	71.4	75.0	85.9	88.9	75.0	77.7	0.9[9]
JEP Holdings Ltd.	21-Apr-21	54.1	0.0	0.7	1.3	1.7	0.7	0.9[10]
Lian Beng Group Ltd	14-Jun-21	44.7	6.4	7.1	1.6	6.6	11.4	0.3[11]
Sembcorp Marine Ltd[12]	22-Sep-21	46.6	(5.9)	(8.0)	(29.8)	47.0	-	0.6[13]
Viking Offshore and Marine Limited (currently known as 9R Limited)[14]	18-Nov-21	87.0	(88.9)	(87.6)	(91.0)	N.A	N.A	2.1[15]
Keong Hong Holdings Limited	21-Jan-22	45.8	3.8	7.9	11.1	11.0	12.7	0.5[16]
Procurri Corporation Limited	20-May-22	30.8	0.0	3.3	9.4	17.3	20.5	2.2[17]
Revez Corporation Ltd.	7-Dec-22	58.6	(66.0)	(65.6)	(67.0)	(69.7)	(79.5)	0.8[18]
MAXIMUM		**87.0**	**75.0**	**85.9**	**88.9**	**78.6**	**205.2**	**2.2**
MINIMUM		**30.8**	**(88.9)**	**(87.6)**	**(91.0)**	**(80.0)**	**(82.1)**	**0.3**
MEDIAN		**50.8**	**3.8**	**7.1**	**8.7**	**9.9**	**11.4**	**0.9**
SIMPLE AVERAGE		**54.2**	**(6.5)**	**(4.8)**	**(4.7)**	**8.8**	**14.3**	**1.0**
Group		**45.7**	**(12.5)**	**(24.7)**	**(29.3)**	**(28.6)**	**(28.6)**	**0.9**[19]
(Excluding Transactions on 20 April 2023)		**45.7**	**(12.5)**	**(24.7)**	**(27.1)**	**(26.3)**	**(27.8)**	**0.9**[19]

Source: *SGX-ST announcements, offer documents and circulars to shareholders in relation to the respective transactions.*

Notes:

(1) Where applicable, it includes the percentage shareholding of the undertaking shareholder(s) as at the date of the offer document.

(2) P/NAV ratios are based on the offer price and NAV per share for the respective companies.

*(3) On 13 January 2020, a pre-conditional mandatory cash offer was made for the issued shares of TEE Land Limited ("**TEE Land**") before the mandatory unconditional cash offer for the issued shares of TEE Land was announced on 3 February 2020. The market premia in the table above were computed based on the share prices for the period(s) up to and including 9 January 2020, being the last undisturbed trading day prior to the pre-conditional mandatory cash offer as announced on 13 January 2020.*

(4) Based on the revalued NAV per share of TEE Land as at 30 November 2019.

(5) Based on the adjusted NAV per share of Axington Inc. as at 31 December 2019.

(6) Based on the NAV/NTA per share (as the case may be), as published in the circular of TEE International Limited.

(7) Based on the revalued NAV per share of Blumont Group Ltd, as at 30 June 2020.

(8) Based on the revalued NAV per share of Lum Chang Holdings Limited as at 30 June 2020.

(9) Based on the NAV per share of Transit-Mixed Concrete Limited as at 31 August 2020.

(10) Based on the revalued NAV per share of JEP Holdings Ltd as at 31 December 2020.

(11) Based on the revalued NAV per share of Lian Beng Group Ltd as at 30 November 2020.

*(12) The market discount and premium for Sembcorp Marine Ltd ("**Sembcorp Marine**") on the table above are based on the offer document dated 6 October 2021.*

(13) The P/NAV used is based on the projected NAV per share of Sembcorp Marine as at 31 December 2021 which was adjusted for, inter alia, the expected significant losses to be recorded for the 6-month financial period ended 31 December 2021.

The independent financial adviser to Sembcorp Marine had also arrived at a range of estimated revalued NAV of Sembcorp Marine as at 31 December 2021 of between S$0.1697 and S$0.2043 per share, and the offer price-to-revalued NAV per share (as implied by its offer price) would be between 0.39 times and 0.47 times.

*(14) The shares of Viking Offshore & Marine Limited ("**Viking Offshore**") were halted from trading on 11 June 2019, and the shares were subsequently suspended from trading for the period between 14 June 2019 and 22 August 2021. The revalued NAV of Viking Offshore was adjusted for a potential amount to be recoverable which in aggregate amounted to S$97.0 million. Such amount was awarded to Viking Offshore in 2018 but was not recovered then.*

(15) The P/NAV used is based on the NAV per share of Viking Offshore as at 30 September 2021.

The independent financial adviser to Viking Offshore had also arrived at a revalued NAV per share of S$0.1741 per share, and the offer price-to-revalued NAV ratio (as implied by the offer price) would be at 0.06 times. The revalued NAV of Viking Offshore was adjusted for a potential amount to be recoverable which in aggregate amounted to S$97.0 million. Such amount was awarded to Viking Offshore in 2018 but was not recovered then.

(16) Based on the revalued NAV per share of Keong Hong Holdings Limited as at 30 September 2021.

(17) Based on the NAV per share of Procurri Corporation Limited as at 31 December 2021.

(18) Based on the adjusted NAV per share of Revez Corporation Ltd. as at 30 June 2022.

(19) Based on the Group's RNAV per Share.

For illustrative purposes only, we noted the following from the above table:

(i) As disclosed in the Offer Document, as at 25 July 2023 (being the latest practicable of the Offer Document), the Offeror and his Concert Parties held or will hold an aggregate interest of approximately 45.69% (or approximately 45.7% rounded to 1 decimal place as shown the table above) in the Share capital of the Company, which is within the range, but lower than the median and the simple average for the percentage of the shareholding interest of the offeror and parties acting in concert as at the start for each of the Selected Non-Privatisation MGO Transactions.

(ii) The discount of approximately 12.5% as implied by the Offer Price from the last transacted price for Shares on the Last Trading Day prior to the Offer Announcement Date is within the range, but worse off than both the median and the simple average for the Selected Non-Privatisation MGO Transactions, and generally unfavourable.

(iii) The discounts (after exclusion of Transactions on 20 April 2023) of approximately 24.7%, 27.1%, 26.3% and 27.8% as implied by the Offer Price from the VWAP for the Shares for the 1-month, 3-month, 6-month and 12-month periods prior to the Last Trading Day respectively are less favourable than both the median and the simple average for the Selected Non-Privatisation MGO Transactions but are still within the range of the Selected Non-Privatisation MGO Transactions. The same conclusions were arrived at even if the Transactions on 20 April 2023 were not excluded.

(iv) The valuation of the Group (as implied by the Offer Price and RNAV per Share) in terms of P/NAV ratio of approximately 0.9 times is within the range, in line with the median, but lower than the simple average for the Selected Non-Privatisation MGO Transactions.

In summary, the valuation of the Group as implied by the Offer Price in terms of premiums over historical prices for the Shares generally appears to be within the range but less favourable as compared to the median and the simple average for the Selected Non-Privatisation MGO Transactions. In addition, the valuation of the Group (as implied by the Offer Price and RNAV per Share) in terms of P/NAV ratio appears to be within the range, in line with the median but less favourable as compared to the simple average for the Selected Non-Privatisation MGO Transactions. Shareholders should note that the Selected Non-Privatisation MGO Transactions comprised companies from various industries and hence, the relative or perceived emphasis on P/NAV as a multiple for the offer as compared to the other valuation multiples (*inter alia,* PER and EV/EBITDA where applicable) may differ. As such, we place less reliance on the comparison of the P/NAV ratio against the Selected Non-Privatisation MGO Transactions.

When considered in the context of the shareholdings or potential shareholdings of the Offeror and his Concert Parties as set out in the Offer Announcement and the Offer Document, which is within the range, but lower than both the median and the simple average for the percentage of shareholding interest for each of the offeror and the parties acting in concert (including the undertaking shareholders where applicable) as at the start for the Selected Non-Privatisation MGO Transactions, the valuation of the Group as implied by the Offer Price in terms of premiums over historical prices for the Shares appears in general to be less favourable when compared to the Selected Non-Privatisation MGO Transactions.

7.5 RELATIVE VALUATION ANALYSIS

In evaluating the financial terms of the Offer, we have considered the financial performance, financial position and valuation statistics of selected comparable companies that may, in our view, be broadly comparable to the existing core businesses of the Group prior to the transaction, which is in (i) hotel management, franchise and investment business (the "**Selected Hospitality Companies**"); and (ii) the chartering of vessels (oil tankers) business (the "**Selected Vessel Chartering Companies**"), collectively, termed as the "**Selected Comparable Companies**".

The Selected Comparable Companies have been identified after a search was carried out on the Singapore Stock Exchange ("**SGX-ST**") as well as Bursa Malaysia and evaluation of the companies operating in the same industry as the Group. We have excluded companies with market capitalisation exceeding S$150.0 million as it is generally accepted that the trading statistics for companies with higher market capitalisation may be different than those with lower market capitalisation and this may be attributable to the relative liquidity in terms of number or value of shares traded as well as relative interest in the shares of companies with larger market capitalisation. We have had discussions with the Directors and Management about the suitability and reasonableness of these Selected Comparable Companies acting as a basis for comparison with the core businesses of the Group.

Relevant information has been extracted from the annual reports and/or public announcements of the Selected Comparable Companies. Notwithstanding our use of these companies for peer analysis, we wish to highlight that there may not be any company listed on the SGX-ST and/or Bursa Malaysia that may be comparable to the Group in terms of size (in terms of assets, revenue and market capitalisations etc.), business activities, type and number of vessels owned and its usage and end industry it serves, scale of operations, risk profile, geographical spread of activities, track record, future prospects, operating and financial leverage, and market capitalisation. Their accounting policies with respect to the values for which the assets or the revenue or cost are recorded or the relevant financial period compared may differ from the Group. As such, any comparison made herein is necessarily limited and serves only as an illustrative guide and any conclusion drawn from the comparison may not necessarily reflect the perceived or implied market valuation (as the case may be) of the Group as at the Latest Practicable Date. Furthermore, certain of the Selected Hospitality Companies and Selected Vessel Chartering Companies, may have activities other than hospitality and vessel chartering, and as such comparisons are necessarily limited.

We also wish to highlight that the NAV or NTA based approach for valuing a company is dependent on factors that may differ for each of the Selected Comparable Companies including, *inter alia*, factors such as accounting or depreciation policies. As such, the comparison of the consolidated NAV or NTA of the Group with those of the Selected Comparable Companies is necessarily limited and such comparison is made for illustrative purposes only. In addition, as all the ratios and tools used invariably uses the price of the shares, they may or may not take into account any relative or perceived or actual risk premium or demand and supply conditions for those shares which may or may not have been fundamentally justified. In addition, as these are tools or ratios that are based on historical financial performance or position, they may or may not reflect the anticipated financial performance, and the mix of its activities or the relative contributions (in terms of assets, financial performance etc.) may differ.

Independent Directors and Shareholders should note that the prices at which shares trade include factors other than historical financial performance, and some of these, *inter alia*, include prospects, real or perceived financial performance or historical share price performance or demand and supply conditions of the shares, as well as the relative liquidity and the market capitalisation or the relative sentiments of the market for the shares.

The Selected Hospitality Companies are set out below.

Selected Hospitality Companies	**Principal Activities**
AF Global Limited ("**AF Global"**) *Listed on the SGX-ST*	The group operates two main business segments – the property segment, and the hotel and serviced residence segment (involving the ownership and operation of hotels and serviced residences). The revenue from the hotel and serviced residence segments accounted for approximately 89.5% of the group's total revenue for the financial year ended 31 December 2022.
Grand Central Enterprises Bhd ("**Grand Central**") *Listed on the Bursa Malaysia*	The group is engaged in hotel business, service apartments, provision of limousine services and hotel management. It owns and manages five hotels under the Hotel Grand Continental brand, which are based in Kuala Lumpur, Kuala Terengganu, Kuantan, Kuching and Langkawi. It also manages Hotel Grand Crystal in Kedah, which is owned by an affiliated company. The revenue from the hospitality segment accounted for approximately 95.9% of the group's total revenue for the financial year ended 31 December 2022.
Heeton Holdings Limited ("**Heeton"**) *Listed on the SGX-ST*	The group operates four main business segments – the property investment segment, the property development segment, the corporate segment, and the hospitality segment. The hospitality segment involves in the hotel operations and related services, and accounted for approximately 99.4% of the group's total revenue for the financial year ended 31 December 2022.
HL Global Enterprises Limited ("**HL Global**") *Listed on the SGX-ST*	The group operates three main business segments – the investments, the hospitality and restaurant segment, and the property development segment. The hospitality and restaurant segment is engaged in the operating and management of hotels and restaurants. The revenue from the hospitality and restaurant segment accounted for approximately 99.5% of the group's total revenue for the financial year ended 31 December 2022.
Lien Hoe Corporation Berhad ("**Lien Ho**") *Listed on the Bursa Malaysia*	The group operates three main business segments in Malaysia, namely hotel service, property investment and property development. The hotel service segment owns and manages the 4-star Hotel Armada, located in central Petaling Jaya, Selangor. The revenue from the hospitality segment accounted for approximately 83.3% of the group's total revenue for the financial year ended 31 December 2022.

***Source**: SGX-ST, Bursa Malaysia, and the respective company's website.*

The Selected Vessel Chartering Companies are set out below.

Selected Vessel Chartering Companies	**Principal Activities**
Courage Investment Group Limited ("**Courage Investment**") *Listed on the SGX-ST*	The group is mainly engaged in marine transportation. It manages a fleet of vessels which comprise mostly of dry bulk carriers. The revenue from marine transportation segment accounted for all the group's total revenue for the financial year ended 31 December 2022.
Singapore Shipping Corporation Limited ("**Singapore Shipping**") *Listed on the SGX-ST*	The group operates two main business segments, mainly ship owning and agency and logistics. It owns and operates a fleet of vessels as well as car and truck carriers. The revenue from the ship owning segment accounted for approximately 82.1% of the group's total revenue for the financial year ended 31 December 2022.
Uni-Asia Group Limited ("**Uni-Asia**") *Listed on the SGX-ST*	The group provides asset/ investment management, finance arrangement, sale and purchase brokerage of ships and properties, ship chartering as a ship owner, ship chartering brokerage, ship technical management, project management, property development/ construction management, property management and leasing arrangements, and hotel operation. It manages a fleet of vessels which comprise mostly of dry bulk carriers. The revenue from the ship chartering segment accounted for approximately 78.0% of the group's total revenue for the financial year ended 31 December 2022.

***Source**: SGX-ST, Bursa Malaysia, and the respective company's website.*

The following tabulates the salient ratios for comparative financial performance and position for the Selected Comparable Companies and the Group:

Selected Comparable Companies	LTM ROE (%)[1]	LTM net profit margin (%)[2]	LTM asset turnover (times)[3]	Total liabilities[4]/ shareholder equity[5] (times)	Total borrowings[6]/ shareholder equity[5] (times)
(A) Selected Hospitality Companies					
AF Global	n.m[7]	n.m[7]	0.1	0.3	0.1
Grand Central	n.m[8]	n.m[8]	0.1	0.1	n.m[9]
Heeton	0.5	3.4	0.1	1.3	1.2
HL Global	1.4	15.7	0.1	0.03	0.01
Lien Hoe	n.m[10]	n.m[10]	0.1	0.4	0.1
MAXIMUM	**1.4**	**15.7**	**0.1**	**1.3**	**1.2**
MINIMUM	**0.5**	**3.4**	**0.1**	**0.03**	**0.01**
MEDIAN	**0.9**	**9.5**	**0.1**	**0.3**	**0.1**
SIMPLE AVERAGE	**0.9**	**9.5**	**0.1**	**0.4**	**0.4**
(B) Selected Vessel Chartering Companies					
Courage Investment	1.8	9.3	0.2	0.1	0.05
Singapore Shipping	9.8	24.3	0.3	0.6	0.3
Uni-Asia	18.4	32.6	0.4	0.6	0.5
MAXIMUM	**18.4**	**32.6**	**0.4**	**0.6**	**0.5**
MINIMUM	**1.8**	**9.3**	**0.2**	**0.1**	**0.05**
MEDIAN	**9.8**	**24.3**	**0.3**	**0.6**	**0.3**
SIMPLE AVERAGE	**10.0**	**22.1**	**0.3**	**0.4**	**0.3**
Combined (A) + (B)					
MAXIMUM	**18.4**	**32.6**	**0.4**	**1.3**	**1.2**
MINIMUM	**0.5**	**3.4**	**0.1**	**0.03**	**0.01**
MEDIAN	**1.8**	**15.7**	**0.1**	**0.3**	**0.1**
SIMPLE AVERAGE	**6.4**	**17.1**	**0.1**	**0.4**	**0.3**
The Group	**0.9**	**3.0**	**0.1**	**1.0**	**0.8**

Source: *The latest annual reports and the announced unaudited financial statements of the respective companies.*

Notes:

(1) *The last twelve months ("**LTM**") return on equity ("**ROE**") is based on the ratio of the most recent twelve months consolidated net profits after tax attributable to the equity holders to the consolidated equity holders excluding minority interest of the respective companies.*

(2) *LTM net profit margin is the ratio of the most recent twelve months consolidated net profits after tax attributable to equity holders to the most recent twelve months total consolidated revenue of the respective companies.*

(3) *LTM asset turnover is the ratio of the most recent twelve months total consolidated revenue to the total consolidated assets of the respective companies.*

(4) *Total liabilities include, inter alia, all the liabilities of the respective companies but exclude any contingent liabilities, if any.*

(5) *Shareholders' equity is the consolidated shareholders' funds excluding minority interest of the respective companies.*

(6) *Total borrowings include all bank loans and borrowings as well as lease liabilities and interest bearing debts, where applicable.*

(7) *AF Global incurred a loss after tax attributable to owners amounted to approximately S$0.6 million for the financial year ended 31 December 2022. Hence, AF Global's LTM ROE and the LTM net profit margin figures were not meaningful.*

(8) *Grand Central incurred a loss after tax attributable to owners amounted to approximately RM3.7 million for the LTM ended 31 March 2023. Hence, Grand Central's LTM ROE and the LTM net profit margin figures were not meaningful.*

(9) *Grand Central does not have any borrowings as at 31 March 2023. Hence, Grand Central's ratio of total borrowings to shareholders equity is not meaningful.*

(10) Lien Hoe incurred a loss after tax attributable to owners amounted to approximately RM28.8 million for the LTM ended 31 March 2023. Hence, Lien Hoe's LTM ROE and the LTM net profit margin figures were not meaningful.

For illustrative purposes only, we note the following:

(i) The Group's LTM ROE of 0.9% is within the range but lower than both the median and the simple average for the Selected Comparable Companies. The Group's LTM net profit margin of 3.0% is also lower than any of the Selected Comparable Companies (save for AF Global, Grand Central, and Lien Hoe which were loss-making during the period reviewed).

(ii) The Group's LTM asset turnover ratio of approximately 0.1 times is within the range for the Selected Comparable Companies, in line with the median and the simple average for the Selected Companies.

(iii) The Group's ratio of total liabilities to shareholders' equity and total borrowings to shareholders' equity as at 31 December 2022 were approximately 1.0 times and 0.8 times respectively. These ratios were within the range, but higher than the median and the simple average for the Selected Comparable Companies.

In summary, the Group's ROE and financial performance (in terms of LTM net profit margin) appear to be weaker than the Selected Comparable Companies (save for AF Global, Grand Central, and Lien Hoe which were loss-making during the period reviewed). The Group's LTM asset turnover appears to be comparable to the Selected Comparable Companies. In terms of financial position, the Group's total liabilities to shareholders' equity and total borrowings to shareholders' equity as at 31 December 2022 appears to be higher and less favourable as compared to the median and the simple average for the Selected Comparable Companies

The following valuation statistics for the Selected Comparable Companies are based on their respective closing prices as at the Latest Practicable Date, while those for the Group are based on the Offer Price. We note that whilst the last transacted price for the Shares as at the Latest Practicable Date is in line with the Offer Price, the Offer Price is lower than the historical VWAP for the Shares for 1-month, 3-month, 6-month, and 12-month periods prior to the Last Trading Day. All the valuation statistics of the Selected Comparable Companies are computed on a historical basis using financial data and information obtained from their latest publicly available unaudited financial statements or audited financial statements from their annual reports or result announcements.

The following table tabulates the comparative valuation statistics for the Selected Comparable Companies and the Group and should be evaluated in the context of their relative financial performance and position.

Selected Comparable Companies	Market Capitalisation (S$ m)	LTM EV/ EBITDA[(1)] (times)	LTM PER[(2)] (times)	P/NAV[(3)] (times)	P/NTA[(4)] (times)	Premium/ (discount) over/from NTA (%)
(A) Selected Hospitality Companies						
AF Global	85.5	48.2	n.m[(5)]	0.4	0.4	(59.6)%
Grand Central	20.0	125.6	n.m[(6)]	0.3	0.3	(65.4)%
Heeton	124.3	22.1	58.1	0.3	0.3	(70.8)%
HL Global	25.0	n.m[(7)]	23.8	0.3	0.3	(67.3)%
Lien Hoe	30.9	n.m[(8)]	n.m[(8)]	0.4	0.4	(59.6)%
MAXIMUM	**124.3**	**125.6**	**58.1**	**0.4**	**0.4**	**(59.6)%**
MINIMUM	**20.0**	**22.1**	**23.8**	**0.3**	**0.3**	**(70.8)%**
MEDIAN (excl. outlier) [(9)]	**30.9**	**35.2**	**41.0**	**0.3**	**0.3**	**(65.4)%**
SIMPLE AVERAGE (excl. outlier) [(9)]	**57.2**	**35.2**	**41.0**	**0.4**	**0.4**	**(64.5)%**
(B) Selected Vessel Chartering Companies						
Courage Investment	12.1	n.m[(10)]	8.1	0.1	0.1	(85.2)%
Singapore Shipping	100.7	2.6	6.6	0.6	0.6	(35.4)%
Uni-Asia	74.7	2.0	2.0	0.4	0.4	(62.8)%
MAXIMUM	**100.7**	**2.6**	**8.1**	**0.6**	**0.6**	**(35.4)%**
MINIMUM	**12.1**	**2.0**	**2.0**	**0.1**	**0.1**	**(85.2)%**
MEDIAN	**74.7**	**2.3**	**6.6**	**0.4**	**0.4**	**(62.8)%**
SIMPLE AVERAGE	**62.5**	**2.3**	**5.6**	**0.4**	**0.4**	**(61.1)%**
COMBINED (A) + (B)						
MAXIMUM	**124.3**	**125.6**	**58.1**	**0.6**	**0.6**	**(35.4)%**
MINIMUM	**12.1**	**2.0**	**2.0**	**0.1**	**0.1**	**(85.2)%**
MEDIAN (excl. outlier)[(9)]	**52.8**	**12.4**	**8.1**	**0.4**	**0.4**	**(64.1)%**
SIMPLE AVERAGE (excl. outlier)[(9)]	**59.2**	**18.7**	**19.7**	**0.4**	**0.4**	**(63.3)%**
The Group	**23.3**	**15.5**	**107.0**	**0.9**[(11)]	**1.2**[(11)]	**18.7%**[(11)]

Source: *The latest annual reports and the announced unaudited financial statements of the respective companies.*

Notes:

(1) The LTM EV/EBITDA ratios for the Selected Comparable Companies are based on the most recent twelve months EBITDA as reported by the respective companies. The EBITDA for AF Global, Heeton, HL Global, Courage Investment, Singapore Shipping and Uni-Asia are based on the financial year ended 31 December 2022. The EBITDA for Grand Central and Lien Hoe are based on the most recent twelve months period ended 31 March 2023.

(2) The LTM PERs for the Selected Comparable Companies are based on the most recent twelve months earnings after tax as reported by the respective companies. The earnings after tax for AF Global, Heeton, HL Global, Courage Investment, Singapore Shipping and Uni-Asia are based on the financial year ended 31 December 2022. The earnings after tax for Grand Central and Lien Hoe are based on the most recent twelve months period ended 31 March 2023.

(3) The P/NAV ratios for the Selected Comparable Companies are based on their respective NAV values as set out in their latest available announced audited or unaudited financial statements. The NAV for AF Global, Heeton, HL Global, Courage Investment, Singapore Shipping and Uni-Asia are based on the figures as at 31 December 2022. The NAV for Grand Central and Lien Hoe are based on the figure as at 31 March 2023.

(4) The P/NTA ratios for the Selected Comparable Companies are based on their respective NTA values as set out in their latest available announced audited or unaudited financial statements. The NTA for AF Global, Heeton, HL Global, Courage

Investment, Singapore Shipping and Uni-Asia are based on the figures as at 31 December 2022. The NTA for Grand Central and Lien Hoe are based on the figures as at 31 March 2023.

(5) *AF Global incurred a loss after tax attributable to owners amounting to approximately S$0.6 million for the financial year ended 31 December 2022. Hence, AF Global's PER ratio is negative and not meaningful.*

(6) *Grand Central incurred a loss after tax attributable to owners amounting to approximately RM3.7 million for the LTM ended 31 March 2023. Hence, Grand Central's PER ratio is negative and not meaningful.*

(7) *HL Global's EV amounted to approximately a negative S$30.8 million as its cash and cash equivalents exceeded the aggregate value of its market capitalisation and borrowings. Hence, HL Global's EV/EBITDA ratio is negative and not meaningful.*

(8) *Lien Hoe recorded negative EBITDA of approximately RM16.2 million and a loss after tax attributable to owners of approximately RM28.8 million for the LTM ended 31 March 2023. Hence, Lien Hoe's LTM EV/EBITDA and LTM PER ratios are negative and not meaningful.*

(9) *Grand Central's LTM EV/EBITDA is excluded as an outlier.*

(10) *Courage Investment's EV amounted to approximately a negative S$5.1 million as its cash and cash equivalents exceeded the aggregate value of its market capitalisation and borrowings. Hence, Courage Investment's EV/EBITDA ratio is negative and not meaningful.*

(11) *Based on the Group's RNAV and RNTA per Share respectively.*

For illustrative purposes only, we note:

(i) The market capitalisation of the Group (as implied by the Offer Price) is within the range, but lower than the median and the simple average for the Selected Comparable Companies. We note that the trading statistics for companies with higher market capitalisation may be different than those with lower market capitalisation and this may be attributable to the relative liquidity in terms of number or value of shares traded as well as relative interest in the shares of companies with larger market capitalisation.

(ii) The valuation of the Group in terms of LTM EV/EBITDA is within the range, higher than the median, but lower than the simple average for the Selected Comparable Companies whilst the LTM PER is significantly higher than any of the Selected Comparable Companies. The significantly higher LTM PER for the Group is attributable to the relatively lower net profit attributable to owners of the Company in view of the losses registered for FY2022. Shareholders should note that the Group registered a significantly higher net profit attributable to owners of the Company for HY2023 of approximately S$1.1 million as compared to the net loss attributable to owners of the Company in HY2022 of approximately S$0.3 million.

(iii) The valuation of the Group in terms of the P/NAV ratio (as implied by both the Offer Price and the Group's RNAV per Share) is higher than any of the Selected Comparable Companies.

(iv) The valuation of the Group in terms of the P/NTA ratio (as implied by both the Offer Price and the Group's RNTA per Share) is higher than any of the Selected Comparable Companies.

In summary, whilst the valuation of the Group (as implied by the Offer Price) appears to be favourable in terms of LTM EV/EBITDA, LTM PER, P/NAV and P/NTA (based on the Group's RNAV and RNTA per Share) as compared to the Selected Comparable Companies, it is unfavourable when compared to the Company's historical daily trailing P/NAV and P/NTA.

Independent Directors are advised to review the Offer and the comparison of the Group's valuation ratios with the Selected Comparable Companies in conjunction with the following facts:

(i) the Group's financial performance (in terms of LTM ROE and LTM net profit margin) and financial position (in terms of total liabilities to shareholders' equity ratio and total borrowings to shareholders' equity ratio), appears to be less favourable as compared to the Selected Comparable Companies;

(ii) whilst the last transacted price for the Shares as at the Latest Practicable Date is in line with the Offer Price, it is significantly lower than the historical VWAP for the Shares for 1-month, 3-month, 6-month, and 12-month periods prior to the Last Trading Day;

(iii) the trading statistics for the shares of the Selected Comparable Companies are based on transactions which do not result in an acquisition of statutory control whilst for the Offer, the Offeror is required to make a mandatory general offer pursuant to the Acquisition, and it is generally accepted that a control premium will be required to be paid for such offers; and

(iv) ratios of P/NAV and P/NTA (as implied by both the Offer Price and the Group's RNAV and RNTA per Share) is lower than both the median and the simple average for the historical daily trailing P/NAV and P/NTA ratios (based on the closing prices, the relevant NAV per Share and NTA per Share on a daily basis pursuant to, *inter alia,* announced audited and unaudited results of the Company and the number of issued Shares) for the last 1-month, 3-month, 6-month, and 12-month periods prior to the Last Trading Day. Accordingly, valuation for the Shares based on transactions in the market for the last 12-month prior to the Last Trading Day have accorded a significantly higher relative valuation on a consistent basis based on historical daily trailing P/NAV and P/NTA ratios (as implied by closing prices and the relevant Group's NAV and NTA per Share on a daily basis) as compared to the Offer.

Estimated Range of Value per Share

We considered, *inter alia*, (a) the core business of the Group (being hospitality and vessel chartering); (b) the appropriateness of the Selected Comparable Companies trading statistics as a measure of "fair value" given, *inter alia,* limitations as mentioned earlier; (c) the fact that the Group has been in the loss-making position during FY2020 to FY2022 and only became profitable in HY2023; (d) the Group's intangible assets relate mainly to the Travelodge trademark and the fact that the Hospitality Business is a significant contributor of the Group's revenue and total assets for FY2022 and HY2023; and (e) the historical daily trailing P/NAV multiples for the 12-month period prior to the Last Trading Day. As such, we are of the view that asset-based valuation multiple being the historical daily trailing P/NAV for the Shares (as set out in Section 7.3 of this Letter) as the more appropriate valuation benchmark for the Shares as compared to earnings-based or EBITDA-based valuation multiples (being PER and EV/EBITDA) or, for that matter, trading statistics based on the Selected Comparable Companies.

We believe that the Company should be valued between approximately 1.0 to 1.1 times of its RNAV (which has been determined based on recent valuations performed for, *inter alia,* the relevant income generating assets being the two Vessels and the Hotel Property, taking into account the specific factors for each of these assets) with a statutory control premium (which is derived from the average of the medians of the premiums (as implied by the offer prices over/from the historical last transacted prices for various periods or dates as outlined in Section 7.4 of this Letter) for the Selected Non-Privatisation MGO Transactions).

Based on this approach, we derived a range of estimated value ("**Estimated Value**") per Share of between approximately S$0.0084 to S$0.0096 (rounded to the nearest four-decimals). The Offer Price is at a significant discount of approximately 16.7% to 27.1% from the range of the Estimated Value per Share.

8. OTHER CONSIDERATIONS

8.1 DIVIDEND TRACK RECORD

The Directors and the Management have confirmed and represented that the Company had not declared any dividends since 1997. Based on our discussions with the Directors, we understand that the Company does not, presently, have a fixed dividend policy and for FY2020, FY2021 and FY2022, no dividends were declared and recommended in view of the accumulated losses and as the Board had deemed it more appropriate to retain and set aside the funds for the Group's business activities, after taking into account various factors including, *inter alia,* the level of available cash, the projected capital requirements for business growth, and general business condition.

We wish to highlight that the above is not an indication of the Company's future dividend policy, and there is no assurance that the Company will or will not pay dividends in future and/or maintain the level of dividends paid in past periods.

8.2 EXISTING SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the Latest Practicable Date is outlined below:

	Direct Interest	Deemed Interest	Total interest	% of the issued Share capital as at the Latest Practicable Date[(1)]
Offeror and his Concert Parties				
Offeror	Nil	1,420,843,471[(2)]	1,420,843,471	42.63%
Aw Ming-Yao, Marcus	Nil	100,000,000[(3)]	100,000,000	3.00%
Rajah & Tann Singapore LLP	Nil	1,896,000[(4)]	1,896,000	0.06%
Total Shares owned, controlled and agreed to be acquired by Offeror and his Concert Parties	**Nil**	**1,522,739,471**	**1,522,739,471**	**45.69%**
Directors (other than the Offeror and his Concert Parties)				
Mr. Ong Kok Wah	35,600,000	Nil	35,600,000	1.07%
Mr. Tan Kok Hiang	800,000	Nil	800,000	0.02%
Substantial Shareholders				
Mr. Ang Kong Meng[(5)]	175,353,729	Nil	175,353,729	5.26%
Public Shareholdings	1,598,451,126		1,598,451,126	47.96%

Notes:

(1) Based on 3,332,944,326 Shares (excluding treasury Shares) as at Latest Practicable Date.

(2) The Offeror is deemed to have an interest in (a) 1,413,458,871 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.

(3) Mr. Aw Ming-Yao Marcus, Mr. Aw Cheok Huat's son, is deemed to have an interest in 100,000,000 Shares registered in the name of Citibank Nominees Singapore Pte. Ltd.

(4) Rajah & Tann Singapore LLP, legal adviser to Mr. Aw Cheok Huat in relation to the Offer, is deemed to have an interest in 1,896,000 Shares, which are held directly by Mr. Abdul Jabbar, in trust for Rajah & Tann Singapore LLP as the beneficial owner. Rajah & Tann Singapore LLP had previously received such 1,896,000 Shares in lieu of professional fees.

(5) Based on the announcement of change of interest released on 12 July 2023.

We note that as stated in the Offer Document, as at 25 July 2023 (being the latest practicable date of the Offer Document), the Offeror and his Concert Parties hold an aggregate interest of 1,522,739,471 Shares, representing approximately 45.69% of the issued Share capital (excluding treasury Shares) of the Company.

In relation to the Directors' intention in connection with the Offer, we note the following from Appendix II to the Circular that each of the Directors who are also Shareholders (save for Mr Aw Ming-Yao Marcus whom we understand is a concert party), namely Mr. Ong Kok Wah and Mr. Tan Kok Hiang, has informed the Company he intends to reject the Offer in respect of all the Shares held directly by him or in which he is deemed interested (as the case may be), as they intend to hold their Shares for long-term investment.

Subsequent to the Offer Announcement Date to the Latest Practicable Date, the Offeror and his Concert Parties as disclosed in the Offer Document did not make any further announcement in connection with changes in its shareholding in the Company or any further purchases of Shares.

8.3 OFFER IS CONDITIONAL

We note from Section 2.4 of the Offer Document that the Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert with the Offeror (whether before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and persons acting in concert with the Offeror holding more than 50% of the total Shares (excluding treasury Shares) as at the close of the Offer (the "**Acceptance Condition**"). The Offer will remain unconditional in all other respects.

8.4 ALTERNATIVE TAKEOVER OFFER

We note that the likelihood of an alternative take-over is remote in view that as at the Offer Announcement Date, the total number of Shares owned, controlled or agreed to be acquired by the Offeror and his Concert Parties and together with the valid acceptances of the Offer amount to an aggregate of 1,522,739,471 Shares, representing approximately 45.69% of the total number of Shares, which is close to 50% and subsequent to the Offer Announcement Date to the Latest Practicable Date, the Offeror did not make any further announcement in connection with changes in his shareholding in the Company or any further purchases of Shares.

Under such circumstances, any competing offer for Shares is unlikely to be forthcoming without the support of the Offeror in view of his shareholding including his Concert Parties which is close to the percentages required for statutory control as at the Latest Practicable Date. Thus, the possibility of an alternative offer from parties other than the Offeror and his Concert Parties will be significantly reduced.

The Directors confirmed that: (a) no other third parties have approached the Company with an intention to make an offer for the Company; and (b) apart from the Offer being made by the Offeror; no other third party has made a firm offer for the Company as at the Latest Practicable Date. We also note that there is no publicly available evidence of any alternative offer for the Offer Shares from any third party.

8.5 CONTROL OVER THE COMPANY

We note from the Offer Document that as at 25 July 2023 (being the latest practicable date of the Offer Document), the Offeror and his Concert Parties have aggregate direct and indirect interests of 1,522,739,471 Shares, representing approximately 45.69% of the total number of Shares.

As such, the Offeror and his Concert Parties do not yet have statutory control of the Company. In the event that the Offer becomes unconditional and the Acceptance Condition is met, the Offeror will have statutory control of the Company and will be in a position to significantly influence, *inter alia*, management, operating and financial policies of the Company and ability to pass all ordinary resolutions on matters in which the Offeror and his Concert Parties do not have an interest, at general meetings of Shareholders.

We understand from the Company that the Offeror is currently the single largest Shareholder and accordingly, he may be in position to influence the management, operating and financial policies of the Company.

8.6 LISTING STATUS AND COMPULSORY ACQUISITION

Listing status

Pursuant to Rule 1104 of the SGX-ST's Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and persons acting in concert with it to above 90% of the total Shares (excluding treasury Shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until it is satisfied that at least 10% of the total Shares (excluding treasury Shares) are held by at least two hundred (200) Shareholders who are members of the public.

Rule 1303(1) of the Catalist Rules provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total Shares (excluding treasury shares), thus causing the percentage of total Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Shareholders are advised to note that Rule 723 of the Catalist Rules requires the Company to ensure that at least 10% of the total number of Shares (excluding treasury Shares) is at all times held by the public. In addition, under Rule 724(1) of the Catalist Rules, if the percentage of the total number of issued Shares (excluding treasury Shares) held in public hands falls below 10%, the Company must, as soon as practicable, notify its sponsor and announce that fact, and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Catalist Rules further states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the total number of issued Shares (excluding treasury Shares) held by members of the public to be raised to at least 10%, failing which the Company may be delisted from the SGX-ST. Under the Catalist Rules, "public" refers to persons other than: (i) directors, chief executive officer, substantial shareholders, or controlling shareholders of the Company or its subsidiary companies; and (ii) associates of the persons in (i) above.

Compulsory acquisition

Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer and/or acquires such number of Offer Shares at the close of the Offer in respect of not less than 90% of the total number of issued Shares (excluding treasury Shares and other than those already held as at the date of the Offer by the Offeror and its related corporations (or their respective nominees) or any person or body corporate falling within the meaning of Section 215(9A) of the Companies Act), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") on the same terms as those offered under the Offer.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror acquires, pursuant to the Offer, such number of Shares which, together with treasury Shares and the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares as at the close of the Offer. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

It is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST following completion of the Offer. Accordingly, the Offeror, if and when entitled, does not intend to exercise his rights of compulsory acquisition under Section 215(1) of the Companies Act to acquire those Offer Shares not acquired by the Offeror pursuant to the Offer, or to delist the Company from the SGX-ST pursuant to the Catalist Rules. In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or Rule 1104 of the Catalist Rules, the Offeror intends to undertake and/or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted.

8.7 RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTION FOR THE COMPANY

We note from Section 8.1 of the Offer Document that the Offer is made solely to comply with the Code arising from the Acquisition.

Save as disclosed in the Offer Document, the Offeror has currently no intention to (a) introduce any major changes to the existing businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of the employees of the Group, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options in relation to the Group which may present themselves and which they may regard to be in the interest of the Offeror.

8.8 REQUISITION

We note from the announcement dated 16 June 2023 that the Company had received a letter dated 15 June 2023 from a substantial Shareholder of the Company (being the same Shareholder named in the announcements dated 13 and 20 April 2023 for changes in interests as described in Section 8.10 of this Letter) to, *inter alia,* remove certain Directors of the Company and appoint certain individuals as Director of the Company, at an extraordinary general meeting ("**EGM**") of the Company under section 176 of the Companies Act 1967. Subsequent to the release of the Offer Announcement on the Offer Announcement Date, it was further announced on 12 July 2023 that the EGM requisition was withdrawn and accordingly, the proposed EGM was cancelled.

For further details on the above, Shareholders should refer to the relevant announcements.

8.9 TERMINATED PLACEMENT

On 8 Jun 2023, the Company announced that it has entered into a placement agreement (the "**Placement Agreement**") with SSCL (the "**Placement Agent**") to place out 570,776,000 new Shares (the "**Placement Shares**") at S$0.00876 (the "**Proposed Placement Price**") each for an aggregate consideration of approximately S$5.0 million (the "**Proposed Placement**"). The aggregate Placement Shares of 570,776,000 will represent approximately 17.13% of the Company's existing issued share capital of 3,332,944,326 Shares as of date of the announcement. Upon completion and assuming there are no other changes to the number of Shares of the Company, the total number of issued and paid-up Shares will increase to 3,903,720,326 Shares and the aggregate Placement Shares will represent approximately 14.62% of the total enlarged Share capital of the Company. The proceeds from the Proposed Placement were intended to fund the Group's expansion via strategic partnership and general working capital.

We note that as announced on 13 July 2023, the Proposed Placement was subsequently terminated on 12 July 2023. We note that on 12 July 2023, the Placement Agent has notified the Company that the Offer constitutes a material adverse change which is likely to (i) make it impracticable or inadvisable for the Placement Agent to market the Placement Shares or to enforce contracts for the purchase of the Placement Shares; and (ii) prejudice materially the success of the Proposed Placement.

On this basis, the Company and the Placement Agent have mutually agreed that the Placement Agreement will be terminated. Accordingly, the Company will not be proceeding with the Proposed Placement.

We note that notwithstanding the fact that the Proposed Placement was terminated:

(i) The Offer Price is lower and at a discount of approximately 20.1% from the Proposed Placement Price.

(ii) The ratio of the Proposed Placement Price to the Group's Adjusted NAV and NTA per Share (after adjusting for the effects of the MHI Acquisition) of approximately 1.1 and 1.4 times is significantly higher than the P/NAV and P/NTA ratios as implied by the Offer Price and the Group's Adjusted NAV and NTA per Share, of approximately 0.8 and 1.2 times respectively. Likewise, based on the Group's RNAV and RNTA per Share, the P/NAV and P/NTA ratios as implied by the Proposed Placement Price would be higher than the P/NAV and P/NTA ratios (as implied by the Offer Price, RNAV per Share and RNTA per Share).

(iii) The Proposed Placement is for the issuance of new Shares and represents approximately 17.13% of the Company's existing issued Share capital. As compared to the Offer, the Proposed Placement is,

inter alia, not intended to "transfer" statutory control of the Company. Shareholders should note that in the event that the Acceptance Condition is met, and the Offer becomes unconditional, the Offeror and his Concert Parties will have statutory control of the Company, albeit at an Offer Price which is less than the Proposed Placement Price and with no proceeds to be received by the Company or the Group.

(iv) The Proposed Placement Price is at a discount of approximately 10% to the VWAP of S$0.00973 based on trades done on the SGX-ST for the full market day on 7 June 2023. This appears to be in general more favourable than the discounts of the Offer Price from the various historical VWAPs as outlined in Section 7.3 of this IFA Letter.

(v) As stated in the announcement dated 13 July 2023 "*Subject to the listing status of the Company pending the outcome of the General Offer, the Company will re-evaluate its funding options based on the prevailing market conditions after the completion of the General Offer. The Company will make the relevant announcements in compliance with the Catalist Rules, as and when there are any material developments.*"

In general, we note that notwithstanding the termination of the Proposed Placement, the Offer Price appears to undervalue the Company as compared to the Proposed Placement Price, due to, *inter alia*, its lower price in absolute terms, less favourable discounts from the historical VWAPs, possible acquisition of statutory control in the event when the Offer becomes unconditional and there being no new proceeds (unlike the Proposed Placement) to be received by the Company or the Group.

8.10 SUBSTANTIAL TRANSACTIONS OF SHARES

We note from the Company's announcement dated 13 April 2023 that on 11 April 2023, there were acquisition(s) of 345,000,000 Shares (or approximately 10.35% of the issued Share capital) by a certain Shareholder named in the said announcement at the transacted price of approximately S$0.0088 per Share ("**Acquisition of Shares on 11 April 2023**").

As announced on 20 April 2023, there were acquisitions of 212,466,400 Shares (or approximately 6.37% of the issued Share capital) by the same Shareholder named in the said announcement from the market at the average transacted price of S$0.010 per Share ("**Acquisition of Shares on 20 April 2023**").

As announced on 12 July 2023, the same Shareholder sold 536,006,571 Shares (or approximately 16.08% of the issued Share capital) on 11 July 2023.

As stated in the Offer Document, the Offeror had on 11 July 2023 acquired an aggregate of 773,215,571 Shares at the purchase consideration of S$0.007 per Share.

We note that the transacted prices for both the Acquisitions of Shares on 11 April 2023 and on 20 April 2023 were higher than the Offer Price, even though these acquisitions of Shares did not result in "transfer of statutory control" and neither did it trigger any mandatory takeover offer.

8.11 ISSUANCE OF NEW SHARES PURSUANT TO THE MHI ACQUISITION

The Company announced on 7 March 2023 that it had entered into the MHI SPAs to acquire an additional equity interest of approximately 11.6% in MHI. At completion of the MHI Acquisition, the Group's effective interest in MHI increased from approximately 73.3% to approximately 84.9%. The aggregate consideration for the MHI Acquisition of approximately S$2.0 million (the "**Consideration**") to the vendors was satisfied via the issuance of 221,255,204 new Shares (the "**Consideration Shares**") at an issue price of S$0.009 per Consideration Share (the "**Issue Price**"). The Issue Price is in line with the VWAP for the Shares on 6 March 2023, which is the last full Trading Day immediately prior to the date the MHI SPAs were signed.

We note that the Issue Price for the MHI Acquisition is higher in absolute terms as compared to the Offer Price, with the Offer Price being at a discount of approximately 22.2% from the Issue Price, and that an aggregate of 221,255,204 new Shares (or approximately 6.64% of the issued Shares as at the Latest Practicable Date) was issued to 2 vendors, with each vendor being allocated less than 5% of the issued Shares. Furthermore, the Consideration Shares upon issued, will not result in a "transfer" of statutory control.

Thus, it appears that the Offer and the Offer Price undervalue the Company as compared to the terms for which Consideration Shares were issued for the MHI Acquisition.

We note that the ratios for the Issue Price to the Group's NAV and NTA per Share as at 31 December 2022 (based on the number of issued Shares as at 31 December 2022) of approximately 1.1 times and 1.5 times respectively are significantly higher than the P/NAV and P/NTA ratios of approximately 0.8 times and 1.2 times respectively as implied by the Offer Price and the Group's Adjusted NAV and NTA. Likewise, based on the Group's RNAV and RNTA per Share, the P/NAV and P/NTA ratios as implied by the Offer Price would be lower as compared to the ratios for Issue Price to the Group's NAV and NTA per Share as at 31 December 2022.

8.12 MATERIAL LITIGATION AND MATERIAL CONTRACTS

Material Litigation

We note from the Appendix II to the Circular that as at the Latest Practicable Date, save as disclosed in publicly available information on the Group (including without limitation, the announcements, financial statements and annual reports released by the Company on SGXNET):

(a) neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, either as plaintiff or defendant, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole; and

(b) the Directors are not aware of any litigation, claim or proceedings pending or threatened against the Company or any of its subsidiaries or of any facts likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Company or the Group, taken as a whole.

Material Contracts with Interested Persons (as defined in the Circular)

We note from the Appendix II to the Circular that as at the Latest Practicable Date, save as disclosed in publicly available information on the Group (including without limitation, the announcements, financial statements and annual reports released by the Company on SGXNET), neither the Company nor any of its subsidiaries has entered into material contracts (other than those entered into in the ordinary course of business) with Interested Persons during the period commencing three (3) years before the Offer Announcement Date and ending on the Latest Practicable Date.

9. OPINION

In arriving at our opinion in respect of the Offer, we have taken into account, *inter alia*, the following factors which we consider to have a significant bearing on our assessment as summarised below and as elaborated elsewhere in this Letter. Our views, recommendation and opinion are necessarily limited and subject to these matters.

This is purely a summary of the factors that have been highlighted in this Letter, and Shareholders are advised to read the following in conjunction with, and in the context of, the full text of this Letter:

(a) The rationale for the Offer, the Offeror's intention for the Company, the listing status, and the compulsory acquisition as set out in Sections 8 to 9 of the Offer Document.

(b) The historical financial performance and position of the Group as set out in Section 7.1 of this Letter. Whilst the Group recorded net losses after tax attributable to owners of the Company of approximately S$1.1 million, S$0.9 million, and S$1.2 million in FY2020, FY2021, and FY2022 respectively, the Group managed to turn-around and registered net profit after tax attributable to owners of the Company of approximately S$1.1 million in HY2023.

The Group's financial position has generally weakened during the period reviewed, with the shareholders' equity of the Group declining from approximately S$27.3 million as at 30 June 2020 to approximately S$24.8 million as at 30 June 2022. It improved slightly to approximately S$25.5 million as at 31 December 2022. The Group's net current asset position deteriorated from approximately S$5.8 million as at 30 June 2021 to a net current liability position of approximately S$11.4 million as at 30 June 2022 for reasons mentioned earlier, but improved significantly to a net current asset position of approximately S$1.4 million as at 31 December 2022. The Group has been relatively highly geared during the period reviewed. The Group's ratio of total borrowings to shareholders' equity stood at 0.7 times, 0.9 times, 0.9 times, and 0.8 times as at as at 30 June 2020, 30 June 2021, 30 June 2022, and 31 December 2022, respectively.

The Directors confirmed that, to the best of their knowledge, as at the Latest Practicable Date and save for matters disclosed in the Circular, this Letter, the Group's audited financial statements for FY2022 and unaudited financial statements for HY2023, and the Company's announcements on the SGXNET, there has been no material changes to the Group's assets and liabilities, financial position, condition and performance.

(c) The historical financial performance and position of the Group *vis-à-vis* the Selected Comparable Companies - The Group's ROE and financial performance (in terms of LTM net profit margin) appear to be weaker than the Selected Comparable Companies (save for AF Global, Grand Central, and Lien Hoe which were loss-making during the period reviewed). In terms of financial position, the Group's total liabilities to shareholders' equity and total borrowings to shareholders' equity as at 31 December 2022 appear to be higher and less favourable as compared to the median and the simple average for the Selected Comparable Companies.

(d) The Offer Price (as set out in Sections 7 and 8 of this Letter) after taking into account, *inter alia,* the following factors: -

(i) The Offer Price represents a discount of approximately 8.7% from the Group's NAV per Share as at 31 December 2022 and a premium of approximately 27.6% over the Group's NTA per Share as at 31 December 2022.

(ii) The Offer Price represents a discount of approximately 15.3% from the Group's Adjusted NAV per Share and a premium of approximately 15.1% over the Group's Adjusted NTA per Share.

(iii) The Offer Price represents a discount of approximately 9.9% and a premium of approximately 18.7% from and over the Group's RNAV and RNTA per Share respectively.

(iv) The ratios of the Offer Price to the Group's Adjusted NAV per Share or the Group's RNAV per Share are lower than both the median and the simple average for the historical daily trailing P/NAV ratios for all periods for the last 12 months prior to the Last Trading Day.

(v) The Offer Price represents a discount of approximately 12.5% from: (a) the last transacted price of S$0.008 per Share on the SGX-ST on 10 July 2023, being the Last Trading Day prior to the Offer Announcement Date; and (b) the last transacted price of S$0.008 per Share on the SGX-ST immediately prior to the Acquisition and prior the trading halt on the Offer Announcement Date.

(vi) The Offer Price represents a discount of approximately 28.6%, 28.6%, 29.3% and 24.7% from the VWAP for the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Last Trading Day respectively.

(vii) The Offer Price represents a discount of approximately 41.7% from the highest transacted prices for the Shares for each of the 12-month, 6-month, 3-month and 1-month periods prior to the Last Trading Day respectively.

(viii) The Offer Price is in line with the lowest transacted price for the Shares for the 12-month period prior to the Last Trading Day, for only one Market Day. The transacted prices for the Shares were always higher than the Offer Price for the remaining 249 Market Days out of the total 250 Market Days (including those Market Days whereby there were substantial transactions which did not result in a "transfer of statutory control" and did not trigger any mandatory takeover offer).

(ix) The Offer Price is at a discount of approximately 22.2% from the last transacted price of S$0.009 per Share on the SGX-ST on 11 July 2023, being the Offer Announcement Date.

(x) The Offer Price represents a discount of approximately 2.3% from the VWAP for the Shares for the period commencing on the Market Day immediately after the Offer Announcement Date and ending on the Latest Practicable Date.

(xi) The Offer Price is in line with the last transacted price for the Shares of S$0.007 on the SGX-ST on 1 August 2023, being the Latest Practicable Date.

(xii) Comparison with the valuation of the Selected Comparable Companies - The valuation of the Group (as implied by the Offer Price) appears to be favourable in terms of LTM EV/EBITDA, LTM PER, P/NAV and P/NTA (based on the Group's RNAV and RNTA per Share) as compared to the Selected Comparable Companies.

The comparison of the valuation ratios between the Group and the Selected Comparable Companies should be assessed in conjunction with: (a) the Group's financial performance (in terms of LTM ROE and LTM net profit margin) and financial position (in terms of total liabilities to shareholders' equity ratio; and total borrowings to shareholders' equity ratio), which appears to be less favourable as compared to the Selected Comparable Companies; (b) whilst the last transacted price for the Shares as at the Latest Practicable Date is in line with the Offer Price, the Offer Price is lower than the historical VWAP for the Shares for 1-month, 3-month, 6-month, and 12-month periods prior to the Last Trading Day; (c) the trading statistics for the shares of the Selected Comparable Companies are based on transactions which do not result in an acquisition of statutory control whilst for the Offer, the Offeror is required to make a mandatory general offer pursuant to the Acquisition, and it is generally accepted that a statutory control premium will be required to be paid for such offers; and (d) ratios of P/NAV and P/NTA (as implied by both the Offer Price and the Group's RNAV and RNTA) is lower than both the median and the simple average for the historical daily trailing P/NAV and P/NTA ratios (based on the closing prices, the relevant NAV per Share and NTA per Share on a daily basis pursuant to, *inter alia,* announced audited and unaudited results of the Company and the number of issued Shares) for the last 1-month, 3-month, 6-month, and 12-month periods prior to the Last Trading Day. Accordingly, valuation for the Shares based on transactions in the market for the last 12-month period prior to the Last Trading Day have accorded a significantly higher relative valuation on a consistent basis based on historical daily trailing P/NAV and P/NTA ratios (as implied by closing prices and the relevant Group's NAV and NTA per Share on a daily basis) as compared to the Offer.

(xiii) The Offer Price is at a significant discount of approximately 16.7% to 27.1% from the range of the Estimated Value per Share of between approximately S$0.0084 to S$0.0096.

(xiv) Unfavourable or less favourable comparison with the Selected Non-Privatisation MGO Transactions – When considered in the context of the shareholdings or potential shareholdings of the Offeror and his Concert Parties as set out in the Offer Announcement and the Offer Document, which is within the range, but lower than both the median and the simple average for the percentage of shareholding interest for each of the offeror and the parties acting in concert (including the undertaking shareholders, where applicable) as at the start for the Selected Non-Privatisation MGO Transactions, the valuation of the Group as implied by the Offer Price in terms of premiums over historical prices for the Shares, appears in general to be less favourable when compared to the Selected Non-Privatisation MGO Transactions. In addition, the valuation of the Group (as implied by the Offer Price and RNAV per Share) in terms of P/NAV ratio appears to be within the range, in line with the median, but lower than the simple average for the Selected Non-Privatisation MGO Transactions. However, it should be noted that the Selected Non-Privatisation MGO Transactions comprised companies from various industries and hence, the relative or perceived emphasis on P/NAV as a multiple for the offer as compared to the other valuation multiples (*inter alia,* PER and EV/EBITDA, as may be applicable) may differ. As such, we place less reliance on the comparison of the P/NAV ratio against the Selected Non-Privatisation MGO Transactions.

(xv) Comparison with the Proposed Placement – Notwithstanding the termination of the Proposed Placement, the Offer Price appears to undervalue the Company as compared to the Proposed Placement Price, due to, *inter alia*, its lower price in absolute terms, less favourable discounts from the historical VWAPs, and there being no new proceeds (unlike the Proposed Placement) to be received by the Company or the Group.

(xvi) Comparison with the Issue Price for the MHI Acquisition – The Issue Price for the MHI Acquisition is higher in absolute terms as compared to the Offer Price, with the Offer Price being at a discount of approximately 22.2% from the Issue Price, and an aggregate of 221,255,204 new Shares (or approximately 6.64% of the issued Shares as at the Latest Practicable Date) was issued to 2 vendors, with each vendor being allocated less than 5% of the issued Shares. Furthermore, the Consideration Shares upon issued, will not result in a "transfer" of statutory control. Thus, it appears that the Offer and the Offer Price undervalue the Company as compared to the terms for which Consideration Shares were issued for the MHI Acquisition. In addition, the ratios for the Issue Price to the Group's NAV and NTA per Share as at 31 December 2022 (based on the number of issued Shares as at 31 December 2022) of approximately 1.1 times and 1.5 times respectively are significantly higher than the P/NAV and P/NTA ratios of approximately 0.8 times and 1.2 times respectively as implied by the Offer Price and the Group's Adjusted NAV and NTA per Share. Likewise, based on the Group's RNAV and RNTA per Share, the P/NAV and P/NTA ratios as implied by the Issue Price would be higher than the P/NAV and P/NTA ratios (as implied by the Offer Price, RNAV per Share and RNTA per Share).

(e) Liquidity of the Shares – The daily average number of Shares traded during the 12-month period prior to the Last Trading Day is low (in particular in the event the Transactions on 20 April 2023 are excluded) as compared to the number of issued Shares held by Shareholders other than the substantial Shareholders (including the Offeror and his Concert Parties) and the Directors as at the Latest Practicable Date. However, the trading activities for the Shares appear to be relatively active in the context of number of Trading Days, albeit with low volumes. Shares were traded on every Market Day during the 12-month period prior to the Offer Announcement Date.

(f) As stated in the Offer Document, as at 25 July 2023 (being the latest practicable date of the Offer Document), the Offeror and his Concert Parties have aggregate direct and indirect interests of 1,522,739,471 Shares, representing approximately 45.69% of the total number of Shares.

As such, the Offeror and his Concert Parties do not yet have statutory control of the Company. In the event that the Offer becomes unconditional and the Acceptance Condition is met, the Offeror will have statutory control of the Company and will be in a position to significantly influence, *inter alia*, management, operating and financial policies of the Company and ability to pass all ordinary

resolutions on matters in which the Offeror and his Concert Parties do not have an interest, at general meetings of Shareholders. We understand from the Company that the Offeror is currently the single largest Shareholder and accordingly, he may be in position to influence the management, operating and financial policies of the Company.

Any competing offer for Shares is unlikely to be forthcoming without the support of the Offeror in view of his shareholding including his Concert Parties which is close to the percentages required for statutory control as at the Latest Practicable Date. Thus, the possibility of an alternative offer from parties other than the Offeror and his Concert Parties will be significantly reduced.

(g) The Company had not declared any dividends since 1997 and does not presently have fixed dividend policy.

(h) The Offer is conditional on the Acceptance Condition.

(i) It is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST following completion of the Offer. Accordingly, the Offeror, if and when entitled, does not intend to exercise his rights of compulsory acquisition under Section 215(1) of the Companies Act to acquire those Offer Shares not acquired by the Offeror pursuant to the Offer, or to delist the Company from the SGX-ST pursuant to the Catalist Rules. In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or Rule 1104 of the Catalist Rules, the Offeror intends to undertake and/or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted.

(j) The Directors' confirmation that (a) no other third parties have approached the Company with an intention to make an offer for the Company; and (b) apart from the Offer being made by the Offeror, no other third party has made a firm offer for the Company as at the Latest Practicable Date.

(k) Other considerations which are set out in Section 8 or other such sections of this Letter.

In summary, having regard to our analysis and the consideration in this Letter (including, *inter alia,* its limitation and constraints) and after having considered carefully the information available to us and based on market, economic and other relevant considerations prevailing as at the Latest Practicable Date, and subject to our terms of reference, as well as the representation and confirmation from the Directors, we are of the opinion that, in the absence of an alternative offer, the financial terms of the Offer is, on balance, **NOT FAIR** and **NOT REASONABLE**.

For the purposes of evaluation of the Offer from a financial point of view, we have adopted the approach that the term "fair and reasonable" comprises two distinct concepts:

(i) Whether the Offer is "fair" relates to the value of the offer price which is based strictly on the evaluation of the Offer Price (i.e. by looking at the financial or fundamental analyses of the Offer Price as set out in this Letter and based on information known to us or which is publicly available).

(ii) Whether the Offer is "reasonable", after taking into consideration the actual and potential financial impact of other circumstances surrounding the Offer and the Company which we consider relevant (being both quantitative and qualitative factors available and made known to us).

Though the valuation of the Group (as implied by the Offer Price) appears to be favourable as compared to the Selected Comparable Companies, we consider the financial terms of the Offer to be **NOT FAIR** from a financial point of view after considering, *inter alia*, the following factors which are significant for the Offer: -

(i) The ratios of the Offer Price to the Group's Adjusted NAV per Share or the Group's RNAV per Share are lower than both the median and the simple average for the historical daily trailing P/NAV ratios for all periods for the last 12 months prior to the Last Trading Day. Though the Offer Price is at a premium to the RNTA per Share, the ratio of the Offer Price to the RNTA is generally much lower than the historical daily trailing P/NTA ratios for all periods for the last 12 months prior to the Last Trading Day.

(ii) Whilst the valuation of the Group (as implied by the Offer Price) appears to be favourable in terms of LTM EV/EBITDA, LTM PER, P/NAV and P/NTA (based on the Group's RNAV and RNTA per Share)

as compared to the Selected Comparable Companies, it is unfavourable when compared to its historical daily trailing P/NAV and P/NTA. Further, there are as described in this Letter, limitations in the use of trading statistics mentioned above for the Selected Comparable Companies. Our evaluation which is based on, *inter alia,* the historical daily trailing P/NAV and P/NTA ratios, RNAV and RNTA per Share (which were determined on the basis of recent valuations performed for, *inter alia,* the income generating assets (being the two Vessels and the Hotel Property) and takes into account the specific factors for each of these assets), indicates that the Offer undervalues the Shares.

(iii) The Offer Price is at a significant discount of approximately 16.7% to 27.1% from the range of the Estimated Value per Share of between approximately S$0.0084 to S$0.0096.

(iv) Unfavourable comparison with the Selected Non-Privatisation MGO Transactions in terms of the premiums over historical prices for the Shares when considered in the context of the shareholdings or potential shareholdings of the Offeror and his Concert Parties as set out in the Offer Announcement and the Offer Document, which is within the range, but lower than both the median and the simple average for the percentage of shareholding interest for each of the offeror and the parties acting in concert (including the undertaking shareholders) as at the start for the Selected Non-Privatisation MGO Transactions. The Offer Price does not take into account the fact that generally a premium is expected to be paid for statutory control pursuant to a mandatory general offer and one that is conditional at the onset as shown in Section 7.4 of this Letter.

We consider the financial terms of the Offer to be, on balance, **NOT REASONABLE**, from a financial point of view after factoring, *inter alia*, the following: -

(i) The Offer Price is at substantial discount from the historical market prices for the Shares considering, *inter alia,* that (a) the Offer Price is at a discount of approximately 28.6%, 28.6%, 29.3% and 24.7% from the VWAP for the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Last Trading Day respectively; (b) the Offer Price is at a substantial discount of approximately 41.7% from the highest transacted prices for the Shares for each of the 12-month, 6-month, 3-month and 1-month periods prior to the Last Trading Day respectively; and (c) the Offer Price is at a discount of approximately 22.2% from the last transacted price on the SGX-ST on 11 July 2023, being the Offer Announcement Date. The discounts implied by the Offer Price from the historical VWAPs, the highest transacted prices and the last transacted price for the Shares on the Offer Announcement Date are significant factors when compared to the fact that the Offer Price represents a discount of 2.3% from the VWAP for the Shares for the period after the Offer Announcement Date to the Latest Practicable Date and is in line with the last transacted price for the Shares on the Latest Practicable Date (both of which reflects transactions after the Offer Announcement and may be affected by the Offer).

(ii) Unfavourable comparison with the Selected Non-Privatisation MGO Transactions in terms of the premiums over historical prices for the Shares. The Offer Price does not take into account the fact that generally a premium is expected to be paid for statutory control pursuant to a mandatory general offer and one that is conditional at the onset as shown in Section 7.4 of this Letter.

This is notwithstanding that as stated in the Offer Document, the Offeror and his Concert Parties have an aggregate direct and indirect interests of 1,522,739,471 Shares (including Shares held by the Offeror and his Concert Parties), representing approximately 45.69% of the total number of Shares as the interest in this case is lower than the median of the interests held by the offerors and their concert parties for the Selected Non-Privatisation MGO Transactions at the onset of the takeovers wherein premiums over historical prices were recorded. The Offeror and his Concert Parties do not yet have statutory control of the Company as at the Latest Practicable Date, although, *inter alia,* the aggregate percentage of interests of the Offeror and his Concert Parties is close to the required percentages.

(iii) The Offer Price is in line with the lowest transacted price for the 12-month period prior to the Last Trading Day for only one Market Day. During the said period, the transacted prices for the Shares were always higher than the Offer Price for 249 Market Days out of the total 250 Market Days (including those Market Days whereby there were substantial transactions which did not result in a "transfer of statutory control" and did not trigger any mandatory takeover offer).

(iv) The Offer Price appears to undervalue the Company as compared with the Proposed Placement Price and the Issue Price for the issuance of Consideration Shares for the MHI Acquisition in terms of the

absolute terms, the premiums over the relevant VWAP for the Shares prior to their respective announcement, and the implied P/NAV and P/NTA ratios.

ACA's Recommendation on the Offer

Based on our assessment of the financial terms of the Offer as set out above, we advise the Independent Directors that they should recommend the Shareholders to **REJECT** the Offer.

Shareholders should also be aware and note that there is no assurance that the price and trading volume of the Shares will remain at current levels after the close of the Offer and the current price performance and trading volume of the Shares is not indicative of the future price performance or trading levels of the Shares. The price and trading volume of the Shares are subject to, *inter alia*, the performance and prospects of the Company, prevailing economic conditions, economic outlook and stock market conditions and sentiments.

Accordingly, our advice on the Offer does not and cannot take into account future trading activities or patterns or price levels that may be established for the Shares after the Latest Practicable Date since these are governed by factors beyond the ambit of our review and also, such advice, if given, would not fall within our terms of reference in connection with the Offer.

Matters to highlight

We would also wish to highlight the following matters which may affect the decisions or actions of Shareholders: –

1. If the Shareholders are considering selling their Offer Shares in the open market, they should be aware that the current market prices and trading volumes for the Shares may have been supported by the Offer and may not be maintained at current levels when the Offer closes. It should be noted that for the period commencing on the Market Day immediately after the Last Trading Day to the Latest Practicable Date, the closing prices of the Shares were higher than the Offer Price for 1 Market Day out of the total 15 Market Days and equivalent to the Offer Price for 14 Market Days out of the total 15 Market Days and the Offer Price is in line with the last transacted price of S$0.007 per Share on the SGX-ST on 1 August 2023, being the Latest Practicable Date.

2. The Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert with the Offeror (whether before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and persons acting in concert with the Offeror holding more than 50% of the total Shares (excluding treasury Shares) as at the close of the Offer.

3. Whilst the possibility of a higher offer from a third party cannot be ruled out, as at the Latest Practicable Date, we are not aware of any publicly available evidence of an alternative offer for the Shares. Shareholders should be aware that the chances of such an alternative offer for Shares being made by a third party may be affected by the fact that as at 25 July 2023 (being the latest practicable date of the Offer Document), the Offeror and his Concert Parties collectively hold 1,522,739,471 Shares, representing approximately 45.69% of the total number of issued Shares, which is close to the percentages required for statutory control.

4. Whilst the Offer may present an opportunity for the Shareholders to realise their entire investment for cash in view of the low liquidity of the Shares (in terms of number of Shares traded on daily basis) during the periods observed prior to the Offer Announcement Date, the Offer Price is in general at a significant discount to the historical traded prices or VWAP for the Shares and does not take into account the fact that generally a premium is expected to be paid for control pursuant to a mandatory general offer and one that is conditional at the onset.

5. The Offer is made solely to comply with the Code arising from the Acquisition.

6. It is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST following completion of the Offer. Accordingly, the Offeror, if and when entitled, does not intend to exercise his rights of compulsory acquisition under Section 215(1) of the Companies Act to acquire

those Offer Shares not acquired by the Offeror pursuant to the Offer, or to delist the Company from the SGX-ST pursuant to the Catalist Rules. In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724 or Rule 1104 of the Catalist Rules, the Offeror intends to undertake and/or support any action as may be necessary for any such trading suspension by the SGX-ST to be lifted.

7. The Directors confirmed that, to the best of their knowledge, as at the Latest Practicable Date and save for matters disclosed in the Circular, this Letter, the Group's the unaudited financial statements for HY2023 and the audited financial statements for FY2022, and the Company's announcements on the SGXNET, there has been no material changes to the Group's assets and liabilities, financial position, condition and performance.

8. Our scope does not require us and we have not made any independent evaluation (including without limitation, market value or economic potential) or appraisal of the Group's assets and liabilities (including without limitation, property, plant and equipment) or contracts entered into or to be entered into by the Group (where applicable) and save for the Independent Valuation Reports, we have not been furnished with any such evaluation and appraisal in respect of assets and liabilities (if any) held or contracts entered into (where applicable) by the Group.

   With respect to such valuation, we are not experts in the evaluation or appraisal of assets and liabilities (including without limitation, property, plant and equipment) including, *inter alia*, the contracts or agreements that the Group has embarked upon or are about to embark upon (where applicable) and have relied on the Independent Valuation Reports and opinion of the Directors and the financial statements (audited and unaudited), where applicable for the assessment.

Limitations

It is also to be noted that as trading of the Shares is subject to possible market fluctuations and accordingly, our advice on the Offer does not and cannot take into account the future trading activities or patterns or price levels that may be established for the Shares since these are governed by factors beyond the ambit of our review and also such advice, if given, would not fall within our terms of reference in connection with the Offer.

For our opinion and recommendation, we have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints or plans of any individual Shareholder, or group of Shareholders. As different Shareholders or groups of Shareholders would have different investment profiles and objectives, we would advise Independent Directors to recommend that any individual Shareholder or group of Shareholders who may require advice in the context of his specific investment portfolio, including his investment in the Company, should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who wish to accept the Offer must do so no later than 5.30 p.m. (Singapore time) on 29 August 2023 and should follow the procedures set out in **Appendix B** to the Offer Document and in the accompanying FAA and/or FAT.

Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document and the FAA or the FAT and any related documents which have been sent to them.

This Letter is addressed to the Independent Directors in connection with and for the sole purpose of their evaluation of the financial terms of the Offer. Whilst a copy of this Letter may be included in the Circular, neither the Company nor the Directors nor the Shareholders nor any third parties, may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose at any time and in any manner without the prior written consent of ACA in each specific case. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters and the scope of our appointment stated herein and does not apply by implication to any other matter. Save as disclosed, nothing herein shall confer or be deemed or is intended to confer any right of benefit to any third party and the Contracts (Rights of Third Parties) Act Chapter 53B and any re-enactment thereof shall not apply.

The recommendations made by the Independent Directors to Shareholders in relation to the Offer and the issue of the Circular (as well as any information therein) shall remain the sole responsibility of the Independent Directors and the Directors respectively.

Yours faithfully,

For and on behalf of

ASIAN CORPORATE ADVISORS PTE. LTD.

H.K. LIAU
MANAGING DIRECTOR

FOO QUEE YIN
MANAGING DIRECTOR

APPENDIX II – GENERAL INFORMATION

1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Designation
Mr. Tan Kok Hiang	c/o 6 Temasek Boulevard, #23-01, Suntec Tower Four, Singapore 038986	Independent Non-Executive Chairman
Mr. Aw Ming-Yao Marcus	c/o 6 Temasek Boulevard, #23-01, Suntec Tower Four, Singapore 038986	Executive Director
Mr. Koh Tien Gui	c/o 6 Temasek Boulevard, #23-01, Suntec Tower Four, Singapore 038986	Independent Director
Mr. Ong Kok Wah	c/o 6 Temasek Boulevard, #23-01, Suntec Tower Four, Singapore 038986	Independent Director

2. REGISTERED OFFICE

The registered office of the Company is at 6 Temasek Boulevard, #23-01, Suntec Tower Four, Singapore 038986.

3. PRINCIPAL ACTIVITIES

The Company was incorporated in the Republic of Singapore on 13 December 1962. The Company was listed on the Mainboard of the SGX-ST on 8 July 1975 before it was subsequently transferred to the SGX Sesdaq (succeeded by the Catalist) of the SGX-ST on 23 June 1992.

The Group is involved in the following business segments:

(a) Hospitality – Hotel management, franchise and investment

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

(c) Investment holding – Investment and management activities

4. SHARE CAPITAL

4.1 Issued Share Capital

As at the Latest Practicable Date, the Company has only one (1) class of shares, being ordinary shares. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S$36,617,849.43, comprising 3,332,944,326 Shares and no Treasury Shares. The issued Shares are listed and quoted on the Catalist of the SGX-ST.

4.2 Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. The provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and

voting are set out in Appendix III to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

4.3 **Shares issued since the end of the last financial year**

As at the Latest Practicable Date, the Company has issued 221,255,204 Shares since 30 June 2022, being the end of FY2022. The Shares were issued as consideration for the acquisition by Midscale Hotel Investments Pte. Ltd. (a wholly-owned subsidiary of the Company) of 2,000,174 ordinary shares representing approximately 11.6% in MHI MY 1 Pte Ltd.

4.4 **Convertible Instruments**

As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities being offered for or which carry voting rights affecting Shares.

5. **DISCLOSURE OF INTERESTS AND DEALINGS**

5.1 **Interests of the Company in Offeror Securities**

Not applicable as the Offeror is an individual.

5.2 **Dealings of the Company in Offeror Securities**

Not applicable as the Offeror is an individual.

5.3 **Interests of the Directors in Offeror Securities**

Not applicable as the Offeror is an individual.

5.4 **Dealings of the Directors in Offeror Securities**

Not applicable as the Offeror is an individual.

5.5 **Interests of the Directors in Company Securities**

Save as disclosed below, as at the Latest Practicable Date, none of the Directors has any direct or deemed interest in the Company Securities.

	Direct Interest		**Deemed Interest**		**Total Interest**	
	No. of Shares ('000)	**%(1)**	**No. of Shares ('000)**	**%(1)**	**No. of Shares ('000)**	**%(1)**
Directors						
Aw Ming-Yao Marcus	-	-	100,000 (2)	3.00	100,000	3.00
Ong Kok Wah	35,600	1.07	-	-	35,600	1.07
Tan Kok Hiang	800	0.02	-	-	800	0.02

Notes:

(1) Based on the total issued and paid-up share capital of the Company of 3,332,944,326 Shares as at the Latest Practicable Date.

(2) Mr. Aw Ming-Yao Marcus is deemed to have an interest in 100,000,000 Shares registered in the name of Citibank Nominees Singapore Pte Ltd.

5.6 **Dealings of the Directors in Company Securities**

None of the Directors has dealt for value in the Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

5.7 **Company Securities owned or controlled by the IFA**

As at the Latest Practicable Date, none of the IFA, its related corporations nor funds whose investments are managed by it and/or its related corporations on a discretionary basis, owns or controls any Company Securities.

5.8 **Dealing in Company Securities by the IFA**

During the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by it and/or its related corporations on a discretionary basis, has dealt for value in the Company Securities.

5.9 **Directors' Intentions**

Each of the Directors who are also Shareholders, namely Mr. Ong Kok Wah, Mr. Tan Kok Hiang and Mr. Aw Ming-Yao Marcus, has informed the Company he intends to reject the Offer in respect of all the Shares held directly by him or in which he is deemed interested (as the case may be), as they intend to hold their Shares for long-term investment.

Save as disclosed above, none of the Directors has any direct or deemed interest in the Shares.

6. **DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date:

(a) there are no service contracts between any of the Directors or proposed directors and the Company or its subsidiaries which have more than twelve (12) months to run and which are not terminable by the employing company within the next twelve (12) months without paying any compensation; and

(b) there are no such service contracts between any of the Directors or proposed directors and the Company or its subsidiaries entered into or amended during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

7. **ARRANGEMENTS AFFECTING DIRECTORS**

As at the Latest Practicable Date:

(a) it is not proposed that any payment or other benefit be made or given to any Director or to any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;

(b) there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer: and

(c) save as set out below, there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect:

(i) Mr. Aw Ming-Yao Marcus is the son of the Offeror.

8. **MATERIAL CONTRACTS WITH INTERESTED PERSONS**

As at the Latest Practicable Date, save as disclosed in publicly available information on the Group (including without limitation, the announcements, financial statements and annual reports released by the Company on SGXNET), neither the Company nor any of its subsidiaries has entered into material contracts (other than those entered into in the ordinary course of business) with Interested Persons during the period commencing three (3) years before the Offer Announcement Date and ending on the Latest Practicable Date.

9. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in publicly available information on the Group (including without limitation, the announcements, financial statements and annual reports released by the Company on SGXNET):

(a) neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, either as plaintiff or defendant, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole; and

(b) the Directors are not aware of any litigation, claim or proceedings pending or threatened against the Company or any of its subsidiaries or of any facts likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Company or the Group, taken as a whole.

10. SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information of the Group for FY2020, FY2021, FY2022 and HY2023 is set out below.

The summary of the financial information of the Group as set out in this Section 10 is extracted from, and should be read together with, the annual reports and the financial statements of the Group for the relevant years and the related notes thereto, copies of which are available on the SGX-ST website at www.sgx.com or for inspection at the registered address of the Company at 6 Temasek Boulevard, #23-01, Suntec Tower Four, Singapore 038986, during normal business hours for the period during which the Offer remains open for acceptance.

10.1 Consolidated Statements of Comprehensive Income

A summary of the financial information of the Group for FY2020, FY2021 and FY2022 (based on the audited consolidated financial statements of the Group for each of FY2020, FY2021 and FY2022 respectively) and the unaudited consolidated financial information for HY2023 (based on the condensed interim consolidated financial statements of the Group for HY2023) are set out below.

	Unaudited HY2023 S$'000	**Audited FY2022 S$'000**	**Audited FY2021 S$'000**	**Audited FY2020 S$'000**
Revenue	4,810	5,121	4,370	6,437
Profit / (loss) before tax	1,121	(1,344)	(1,041)	(1,275)
Profit / (loss) for the period/year	1,121	(1,419)	(1,119)	(1,324)
Profit / (loss) attributable to non-controlling interests	(22)	(189)	(199)	(236)
Earnings / (loss) per share (cents)	0.04	(0.04)	(0.03)	(0.04)

10.2 Consolidated Statements of Financial Position

The consolidated statements of financial position as extracted from the Group's annual report for FY2022 is set out below.

	Audited FY2022 S$'000	**Audited FY2021 S$'000**
Non-current assets		
Property, plant and equipment	42,529	45,329
Intangible assets	7,219	6,558
Investment in subsidiaries	-	-
Associate and joint venture	20	25

Other investments	380	639
Other receivables	1,679	1,653
Right-of-use assets	143	128
Total non-current assets	51,970	54,332
Current assets		
Trade and other receivables	1,721	1,648
Inventories	6	75
Cash and cash equivalents	6,877	8,269
Total current assets	8,604	9,992
Total assets	60,574	64,324
Capital, reserves and non-controlling interests		
Share capital	34,626	34,626
Reserves	(9,784)	(8,226)
Equity attributable to owners of the Company	24,842	26,400
Non-controlling interests	8,221	8,520
Total equity	33,063	34,920
Non-current liabilities		
Loans and borrowings	5,977	23,180
Amounts due to non-controlling interests	269	800
Deferred tax liability	1,276	1,269
Total non-current liabilities	7,522	25,249
Current liabilities		
Loans and borrowings	16,829	1,096
Amounts due to non-controlling interests	1,312	1,152
Trade and other payables	1,637	1,768
Lease liabilities	143	139
Current tax liabilities	68	-
Total current liabilities	19,989	4,155
Total equity and liabilities	60,574	64,324

10.3 **Material Changes in Financial Position**

Save as disclosed in publicly available information on the Group (including without limitation, the announcements, financial statements and annual reports released by the Company on SGXNET), as at the Latest Practicable Date, there have been no material changes to the financial position of the Company since 30 June 2022, being the date to which the Company's last published audited accounts were made up.

10.4 **Significant Accounting Policies**

A summary of the significant accounting policies of the Group is set out in Note 3 of the audited consolidated financial statements of the Group for FY2022, a copy of which is reproduced in Appendix IV to this Circular.

Save as disclosed in this Circular and publicly available information on the Group (including without limitation, the announcements, financial statements and annual reports released by the Company on SGXNET), as at the Latest Practicable Date, there are no significant accounting policies or any matters from the notes to the financial statements of the Group which are of any major relevance for the interpretation of the accounts of the Group.

10.5 **Changes in Accounting Policies**

Save as disclosed in this Circular and publicly available information on the Group (including without limitation, the announcements, financial statements and annual reports released by the Company on SGXNET), as at the Latest Practicable Date, there is no change in the accounting policy of the Group which will cause the figures disclosed in this Circular to not be comparable to a material extent.

11. MATERIAL CHANGES IN INFORMATION

Save as disclosed in this Circular and save for the information relating to the Group and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

12. VALUATION

For the purposes of the Offer, the Company had commissioned:

(a) Altech Maritime Consultants Pte. Ltd. to carry out the valuation of Motor Tanker "Como" and Motor Tanker "Bayan"; and

(b) Knight Frank Malaysia Sdn Bhd to carry out the valuation of Travelodge Chinatown Kuala Lumpur, located at No. 7, Jalan Hang Kasturi, City Centre, 50050 Kuala Lumpur.

As disclosed in the Desktop Valuation Reports set out in Appendix VI to this Circular, the valuation approach adopted by Altech Maritime Consultants Pte. Ltd. in respect of Motor Tanker "Como" and Motor Tanker "Bayan" is based on the replacement cost methodology, having considered the estimated current new-building price of a similarly built vessel and adjusted based on the vessel's corresponding age. As disclosed in the Valuation Certificate set out in Appendix VII to this Circular, the basis of valuation adopted by Knight Frank Malaysia Sdn Bhd in respect of Travelodge Chinatown Kuala Lumpur, located at No. 7, Jalan Hang Kasturi, City Centre, 50050 Kuala Lumpur is the income approach by discounted cashflow method supported by the comparison approach.

The Desktop Valuation Reports and Valuation Certificate are available for inspection at the registered office of the Company at 6 Temasek Boulevard, #23-01, Suntec Tower Four, Singapore 038986 during normal business hours for the period during which the Offer remains open for acceptance.

Based on the Desktop Valuation Reports and Valuation Certificate, the market value of the appraised assets are as follows:

Description of Asset	**Market value based on the Valuation Reports (S$)**	**Date of valuation**
Motor Tanker "Como"	5,100,000	30 June 2023
Motor Tanker "Bayan"	5,000,000	30 June 2023
Travelodge Chinatown Kuala Lumpur	30,922,670	30 June 2023

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of the valuation.

The potential tax liabilities which may be incurred by the Group on such hypothetical disposal of the appraised assets based on the valuations carried out by the Independent Valuers is approximately S$635,721. The aforesaid tax liabilities are not likely to crystalise as the Group has no intention to sell the appraised assets as of the Latest Practicable Date.

13. GENERAL

13.1 Costs and Expenses

All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

13.2 Consent of the IFA

Asian Corporate Advisors Pte. Ltd., named as the IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the IFA Letter, and all references to its name in the form and context in which they appear in this Circular.

13.3 Consent of the Auditor

Deloitte & Touche LLP has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of the audited consolidated financial statements of the Group for FY2022, which are set out in Appendix IV to this Circular and all references to its name in the form and context in which they appear in this Circular.

13.4 Consent of the Independent Valuers

Altech Maritime Consultants Pte. Ltd. has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the Desktop Valuation Reports as set out in Appendix VI to this Circular, and all references to its name in the form and context in which they appear in this Circular.

Knight Frank Malaysia Sdn Bhd has given and has not withdrawn its written consent to the inclusion of its name, the Valuation Certificate as set out in Appendix VII to this Circular, and all references to its name in the form and context in which they appear in this Circular.

13.5 Consent of the Legal Adviser

Withers KhattarWong LLP, named as the legal adviser to the Company, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references to its name in the form and context in which they appear in this Circular.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 6 Temasek Boulevard, #23-01, Suntec Tower Four, Singapore 038986 during normal business hours for the period during which the Offer remains open for acceptance:

(a) the Constitution;

(b) the IFA Letter, as set out in Appendix I to this Circular;

(c) the annual reports of the Company for FY2020, FY2021 and FY2022;

(d) the audited consolidated financial statements of the Group for FY2022, as set out in Appendix IV to this Circular;

(e) the condensed interim consolidated financial statements for the six months ended 31 December 2022, as set out in Appendix V to this Circular;

(f) the Desktop Valuation Reports, as set out in Appendix VI to this Circular;

(g) the Valuation Certificate, as set out in Appendix VII to this Circular, together with the formal valuation report as referred to in the Valuation Certificate; and

(h) the letters of consent referred to in Section 18 of this Circular.

APPENDIX III – EXTRACTS FROM THE CONSTITUTION OF THE COMPANY

The relevant provisions in the Constitution of the Company in respect of capital, dividends and voting in relation to the Shares have been extracted and reproduced below.

All capitalised terms used in the following extract shall have the same meanings ascribed to them in the Constitution, a copy of which is available for inspection at the registered address of the Company at 6 Temasek Boulevard, #23-01, Suntec Tower Four, Singapore 038986 during normal business hours for the period during which the Offer remains open for acceptance.

SHARES

6. The shares in the original or any increased capital of the Company may be divided into several classes and there may be attached thereto respectively any preferential deferred qualified or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise.

7. **ISSUE OF SHARES.** The shares taken by the subscribers to the Constitution shall be issued by the Directors. Subject as aforesaid and to this Constitution, the Directors may allot and issue the same to such persons on such terms and conditions and at such times as the Directors think fit.

8. **PAYMENT OF EXPENSES IN ISSUE OF SHARES.** Any expenses (including brokerage or commission) incurred directly by the Company in the issue of new shares may be paid out of the proceeds of the issue or the Company's share capital. Such payment shall not be taken as reducing the amount of share capital of the Company.

9. **SPECIAL RIGHTS.**

   (1) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine; Provided Always That the total number of issued preference shares shall not at any time exceed the total number of issued ordinary shares of the Company.

   (2) The Company may issue shares for which no consideration is payable to the Company.

10. **REDEEMABLE PREFERENCE SHARES.** Subject to (but not limited to) the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed. The Company shall also have the power to issue further preference shares ranking equally with or in priority to any preference shares already issued.

11. **RIGHTS OF PREFERENCE SHAREHOLDERS.** Holders of preference shares shall have:

   (a) the same rights as ordinary shareholders as regards receiving notices, reports and financial statements, and attending general meetings of the Company; and

   (b) the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the Company's undertaking, or where the proposition to be submitted to the meeting directly affects their rights and privileges, or when the dividends on the preference shares are in arrears for more than six months.

12. **NON-REDEEMABLE CONVERTIBLE CUMULATIVE PREFERENCE SHARES.**

   (1) The Company may issue non-redeemable convertible cumulative preference shares in the capital of the Company ("Preference Shares"), at such issue price as the Directors may determine, which shall carry the following rights, benefits and privileges and be subject to the following restrictions:

(a) **As regards income.** The Preference Shareholders shall be entitled to be paid out of the Distributable Profits a cumulative Preference Dividend upon and subject to the following terms:

(i) The Preference Shares shall confer on the Preference Shareholders the right, in priority to any dividend or distribution in favour of holders of any other classes of shares in the Company, to a Preference Dividend payable in arrears on each relevant Dividend Payment Date.

(ii) The Preference Dividend shall be paid out of the Distributable Profits and no dividend on any other shares in the capital of the Company shall be made unless the Company has sufficient Distributable Profits to cover the Preference Dividend. The Preference Dividend shall, without the need for declaration by the Company or its directors, constitute a debt (to the extent to which Distributable Profits are available for its payment) due from and immediately payable by the Company on each relevant Dividend Payment Date.

(iii) If the Company does not have sufficient Distributable Profits to cover the full payment of Preference Dividend on any Dividend Payment Date, the Company shall make partial payment of such Preference Dividend to all the Preference Shareholders on a pro-rata basis and the balance of such unpaid Preference Dividend shall accumulate in accordance with Regulation 12(1)(a)(iv) below.

(iv) To the extent that the Preference Dividend or any part thereof is not paid on the Preference Shares on any Dividend Payment Date, they shall continue to accumulate from and including the relevant Dividend Payment Date (as applicable). If the Company fails to pay or fails to pay in full any Preference Dividend on its due date, the unpaid amount of the Preference Dividend shall be compounded annually at the Relevant Rate calculated on the basis of a 365-day year and such Preference Dividend shall accrue from (and including) the relevant Dividend Payment Date to (but excluding) the date of actual payment, notwithstanding that the date of actual payment may extend beyond the Conversion Date and/or the Mandatory Conversion Date or that the Preference Dividend shall have ceased to accrue from the last Dividend Payment Date immediately preceding the Conversion Date or the Mandatory Conversion Date (as the case may be). Such arrears of Preference Dividend shall be treated as if it were part of the accumulated Preference Dividend so that it is payable only out of Distributable Profits.

(v) If there shall be arrears of Preference Dividend on any Dividend Payment Date and the Company has sufficient Distributable Profits to cover such arrears, the Company shall make payment of such arrears of Preference Dividend to the Preference Shareholders on such Dividend Payment Date.

(vi) All accrued and arrears of Preference Dividend shall be payable to the Preference Shareholders in preference to any other payment of dividend or other distribution on, or capitalisation issue in respect of, any other class of shares in the capital of the Company. All accrued and arrears of Preference Dividend shall be payable notwithstanding the conversion of the Preference Shares on the Conversion Date or the Mandatory Conversion Date (as the case may be).

(vii) The Preference Dividend shall be paid by Singapore Dollar cheque drawn on a bank in Singapore made payable to the Preference Shareholders as appear in the Register of Preference Shareholders or the Depository Register, as the case may be, as at such date as the Company may fix as the books closure date for the purpose of determining entitlements to the Preference Dividend, and sent on or about the relevant Dividend Payment Date to their respective addresses appearing in the Register of Preference

Shareholders or the Depository Register (as the case may be), and if tax is deducted or withheld, together with the relevant tax vouchers.

(b) **As regards capital.** The Preference Shareholders other than any Preference Shareholders who have duly exercised the right of election mentioned in Regulation 12(1)(l)(x)(dd) shall, in a liquidation of, or on a return of capital by, the Company be entitled (in priority to any distribution or payment to be made in favour of holders of any other classes of shares in the Company) to be paid the following sums in the order set out below:

(i) all amounts accrued and unpaid (whether or not then due) in respect of the Preference Dividend; and

(ii) the Conversion Amount.

Preference Shareholders who have duly exercised the right of election mentioned in Regulation 12(1)(l)(x)(dd) shall be entitled to the sums mentioned in that sub-Regulation.

(c) **As regards default in payment or partial payment.** If by reason of any provision of the Act, the Company is unable to make payment of any amount due in respect of the Preference Shares (whether in respect of the Preference Dividend or otherwise) then the Company shall from time to time (to the maximum amount and extent permitted by law, and on the earliest date on which such payments may lawfully be made) make payments on account of the amount so owing to all Preference Shareholders on a pro-rata basis until such amount has been paid in full.

(d) **As regards surplus profits and assets.** The Preference Shareholders shall have no right to participate in the profits or assets of the Company beyond the rights conferred under this Regulation 12.

(e) **As regards voting.** The Preference Shareholders:

(i) shall be entitled to receive copies of the reports and financial statements, circulars and notices of general meetings, being the same as those which the holders of ordinary shares are entitled to receive, but shall not be entitled to attend or vote at any general meeting other than under the circumstances set out in Regulation 12(1)I(iii) below;

(ii) shall be entitled to attend, speak and vote at any class meeting of the Preference Shareholders;

(iii) notwithstanding Regulation 12(1)I(i) above, shall be entitled to attend (in person or by proxy or attorney or in the case of a corporation, by a representative) any general meeting of the Company and to be counted for the purposes of a quorum at such general meeting and, in a poll thereat, to one vote in respect of each Preference Share held if (but only if):

(aa) the Preference Dividend or any part thereof is in arrear and has remained unpaid for at least six months;

(bb) the resolution in question varies the rights attached to the Preference Shares; or

(cc) the resolution in question is for the winding up for the Company.

The provisions of these Regulations relating to votes of Members shall (subject to and except to the extent inconsistent with this Regulation 12) apply mutatis mutandis to votes of the Preference Shareholders at any general meeting.

(f) **As regards meetings.** The provisions of these Regulations relating to general meetings, notice of and proceedings at general meetings and votes of Members shall (subject to and

except to the extent inconsistent with this Regulation 12) apply *mutatis mutandis* to any separate class meeting of the Preference Shareholders.

(g) **As regards further preference shares.** Without prejudice to the generality of Regulation 12(5) below, the issue by the Company of shares which rank in any respect in priority to the Preference Shares shall be deemed to constitute a variation of the rights attached to the Preference Shares. The issue by the Company of shares which rank *pari passu* with the Preference Shares shall not constitute such a variation.

(h) [***Deleted***]

(i) **As regards Distributable Profits.** The Company shall not (except for the purposes of paying the Preference Dividend and satisfying any liability of the Company in the ordinary course of business) take any step which may have the effect of reducing the Distributable Profits to below the amount required to satisfy the payment of the Preference Dividend payable in respect of the period of which such Distributable Profits are calculated.

(j) **As regards transfers, registration, register and replacement.** The Preference Shares will be in registered form and the Company shall maintain a register thereof. The Preference Shares will be traded on the Securities Exchange on a scripless settlement basis and may be transferred in multiples of 1,000 Preference Shares or in multiples of such other number of Preference Shares as the Directors may determine. The provisions of these Regulations relating to the registration, transfer transmission, certificates and replacement thereof applicable to ordinary shares shall apply mutatis mutandis to the Preference Shares.

(k) **As regards substitution securities.** In the event of a winding-up or dissolution of the Company pursuant to reconstruction, amalgamation, merger or consolidation, the resultant corporate entity responsible for the liabilities of the Company with respect to the Preference Shares shall issue such securities in substitution and replacement of the Preference Shares and on such terms as shall be approved by Preference Shareholders in accordance with Regulation 12(5) unless the terms of such securities in substitution are no less favourable than the terms of the Preference Shares. As a condition to any such winding-up or dissolution, the Company shall procure that the resultant corporate entity shall (in favour of the Preference Shareholders) undertake to comply with the provisions of Regulations 12(1) to 12(6) inclusive.

(l) **As regards conversion.** Each Preference Shareholder shall be entitled to convert all or any of his Preference Shares into fully-paid ordinary shares at the relevant Conversion Ratio upon and subject to the following terms:

(i) The right to convert shall be exercisable on any Market Day falling during the Conversion Period by completing the Conversion Notice and delivering the same to the Conversion Agent for the time being of the Company in Singapore together with such other documents or evidence (if any) as the Directors may require to prove the title and claim of the person exercising such right. A Conversion Notice once given may not be withdrawn without the consent in writing of the Company. The Company may from time to time specify a period during which the Preference Shares will not be convertible Provided Always That the aggregate of the periods during which the Preference Shares are not convertible shall not exceed 30 days in any calendar year. When a duly completed Conversion Notice is received during a period in which the Preference Shares are not convertible, the Conversion Date shall be the Mandatory Conversion Date or the Market Day immediately following the expiry of such period, whichever is earlier.

(ii) Upon conversion, such Preference Shares shall become ordinary shares credited as fully-paid and, from the Conversion Date, the rights attached to such Preference Shares are altered and such Preference Shares shall cease to have any preference or priority

set out in this Regulation 12 and shall rank *pari passu* in all respects with the ordinary shares of the Company then in issue (save for any dividends, rights or other distributions the record date of which is before the relevant Conversion Date). Such conversion does not result in the cancellation of the Preference Shares or an allotment or issue of new ordinary shares.

(iii) The Preference Dividend payable on any Preference Shares so converted shall cease to accrue with effect from the Dividend Payment Date last preceding the relevant Conversion Date save for any unpaid amount of Preference Dividend accrued prior to such Dividend Payment Date as a result of the Company failing to pay or to pay in full any Preference Dividend on its due date which shall be compounded and accrue in accordance with Regulation 12(1)(a)(iv).

(iv) Conversion of such Preference Shares as are due to be converted as aforesaid on any Conversion Date (the "Relevant Shares") shall be effected in such manner as the Directors shall, subject to these Regulations and as the Act or other applicable laws or regulations may allow, determine.

(v) If there shall be fractions of ordinary shares into which the Relevant Shares are converted (however converted), the holders of the Relevant Shares shall not be entitled to such fractions of ordinary shares but (if in the opinion of the Directors any such arrangement can be made) such fractions may be aggregated and sold on behalf of such holders at such price as may be reasonably obtained and the net proceeds of sale shall be distributed pro rata among the converting holders unless, in respect of any individual holding of Relevant Shares, the amount to be distributed to the relevant holder would be less than $10 in which case such amount shall not be so distributed but shall be retained for the benefit of the Company. For that purposes of implementing the provisions of this sub-Regulation, the Directors may appoint some person to execute transfers or renunciations on behalf of persons otherwise entitled to any such fractions and generally may make all arrangements which appear to the Directors necessary or appropriate for the settlement and disposal of fractional entitlements.

(vi) Conversion of the Relevant Shares into fully-paid ordinary shares (however converted) shall be effected as follows:

(aa) where the Relevant Shares are registered in the name of the Depository,

(1) the ordinary shares into which such Relevant Shares are converted shall be registered in the name of, and delivered by the Company to, the Depository for the credit of the Securities Account of the holder of the Relevant Shares within 3 Market Days of the date on which the Company or the Conversion Agent confirms with the Depository that the Relevant Shares to be converted are available for conversion in the relevant Securities Account of the holder of the Relevant Shares or such later date as the Company may find practicable; and

(2) the Company shall, in exchange for the certificates in respect of the Relevant Shares, deliver to the Depository for the credit of the Securities Account of that holder a balancing certificate for any Preference Shares which remain unconverted, and shall deliver to the holder of the Relevant Shares a cheque in respect of any cash entitlement arising from the sale of fractions; and

(bb) where the Relevant Shares are registered in the name of the holder thereof,

(1) the holder of the Relevant Shares may elect either to receive physical share certificates in respect of the ordinary shares into which such Relevant Shares are converted (in which event the Company shall forward to such holder share certificates in respect of the requisite number of ordinary shares registered in his name within 5 Market Days of the relevant Conversion Date or such later date as the Company may find practicable) or to have the ordinary shares into which the Relevant Shares are converted credited to his Securities Account (in which event the Company shall forward to the Depository a share certificate in respect of the requisite number of ordinary shares registered in the name of the Depository within 3 Market Days of the relevant Conversion Date or such later date as the Company may find practicable); and

(2) the Company shall, in exchange for the certificates in respect of the Relevant Shares and contemporaneously with the despatch of the share certificates in respect of the ordinary shares, deliver any balancing certificate for any Preference Shares which remain unconverted to the Depository or the holder of the Relevant Shares (as applicable) and, where relevant, a cheque in respect of any cash entitlement arising from the sale of fractions to the holder of the Relevant Shares.

Any certificates and/or cheques in respect of any cash entitlement arising from the sale of fractions to be despatched by the Company pursuant to this sub-Regulation (whether to the holder of the Relevant Shares or to the Depository) shall be sent by ordinary post at the risk of the holder of the Relevant Shares. If a Conversion Notice is given in respect of part only of a holding of Preference Shares so that there would, following conversion, remain a number of Preference Shares in that holding smaller than that required to convert into one Ordinary Share at the Conversion Ratio then applicable, then all the Preference Shares in that holding shall be converted notwithstanding the figures inserted in the Conversion Notice.

(vii) All Preference Shares outstanding on the Mandatory Conversion Date shall become fully-paid ordinary shares at the applicable Conversion Ratio on the Mandatory Conversion Date. The rights attached to such Preference Shares are altered from the Mandatory Conversion Date and such Preference Shares shall cease to have any preference or priority set out in this Regulation 12 and shall rank *pari passu* in all respects with the ordinary shares then in issue (save for any dividends, rights or other distributions the record date of which is before the Mandatory Conversion Date). Such conversion does not result in the cancellation of the Preference Shares or an allotment or issue of new ordinary shares. Upon mandatory conversion of the Preference Shares on the Mandatory Conversion Date, all Preference Shareholders shall be treated as having exercised the right to convert in respect thereof as if such Preference Shares were Relevant Shares in respect of which a Conversion Notice had been given for the purpose of this Regulation 12(1)(1) and the provisions of this Regulation 12(1)(1) shall apply mutatis mutandis to a mandatory conversion of the Preference Shares on the Mandatory Conversion Date.

(viii) The Preference Dividend payable on the Preference Shares so converted on the Mandatory Conversion Date shall cease to accrue with effect from the Mandatory Conversion Date save for any unpaid Preference Dividend accrued prior to the Mandatory Conversion Date as a result of the Company failing to pay or to pay in full any Preference Dividend on its due date which shall be compounded and accrue in accordance with Regulation 12(1)(a)(iv).

(ix) So long as the ordinary shares (or ordinary stock units into which the ordinary shares may be converted) of the Company in issue are listed on the Securities Exchange, the Company shall use all reasonable endeavours to procure that all the ordinary shares into which Preference Shares are converted are admitted for listing on the Securities Exchange at the earliest practicable date following conversion.

(x) So long as any Preference Shares remain capable of being converted into ordinary shares, then, save with such consent or sanction on the part of the Preference Shareholders as is required for a variation of the rights attached to such shares:

(aa) No equity share capital shall be in issue which is not, in all respects, uniform with a class of shares in the Company in issue on the date on which the Preference Shares shall be first issued or with the Preference Shares, save:

(1) as to the date from which such capital shall rank for dividend; or

(2) for ordinary shares issued in connection with or pursuant to any employees' share option scheme (which may be adopted by the Company) or the exercise of conversion rights under any convertible securities issued or to be issued by the Company; or

(3) for equity share capital which has attached thereto rights as to dividend, capital and voting which in no respect are more favourable than those attached to the ordinary shares in issue at the date on which the Preference Shares shall be first issued; or

(4) for equity share capital issued pursuant to an issue in which the Preference Shareholders shall have been or be entitled to participate pursuant to Regulation 12(1)(m)(vii); or

(5) where the Conversion Ratio falls to be adjusted pursuant to Regulation 12(1)(m) and is or will be so adjusted; or

(6) for an issue of ordinary shares or other securities of the Company or rights to acquire ordinary shares in consideration of or in connection with the acquisition of other securities, assets or business.

(bb) The Company shall not issue or pay up any securities by way of capitalisation of profits or reserves (other than:

(1) by the issue of ordinary shares paid up in full out of Distributable Profits or reserves and issued *in lieu* of a cash dividend; or

(2) in relation to the conversion of Preference Shares into ordinary shares)

unless either the Conversion Ratio falls to be adjusted pursuant to Regulation 12(1)(m) and is or will be so adjusted or the Directors are duly authorised to, and shall, make a like issue at the same time to each Preference Shareholder as if his conversion rights had been exercisable and exercised in full on the record date for such issue on the basis of the Conversion Ratio then applicable.

(cc) If a general offer is made prior to the Conversion Period to acquire the whole or any part of the issued ordinary share capital of the Company or if any person proposes a scheme with regard to such acquisition, the Company shall give notice to all Preference Shareholders of such an offer by way of public announcement to the stock exchange on which its shares are listed or press advertisement within 7 days of its becoming so aware and each such holder shall

be entitled within the period prescribed below to convert some or all of his Preference Shares into fully paid ordinary shares on the basis set out in Regulation 12(1)(I) except that the Conversion Period shall be the said prescribed period and the Conversion Date in respect of any particular Preference Share shall be the date on which the Company shall have received a duly completed Conversion Notice together with such other evidence (if any) as the Directors may reasonably require to prove the title and claim of the person exercising such right to convert. The ordinary shares into which the Preference Shares are converted shall not rank for any dividend or distribution declared, paid or made before such Conversion Date. Subject to as aforesaid, the provisions as to conversion in Regulation 12(1)(1) shall apply mutatis mutandis to such conversion. The prescribed period shall commence on the date of the aforesaid notice and end on the later of 30 days thereafter or the closing date of the offer or the effective date of the scheme, as the case may be.

(dd) If the Company is placed in liquidation, the Company shall forthwith give notice thereof in writing to all Preference Shareholders and each Preference Shareholder shall in respect of all or any of his Preference Shares be entitled within 42 days after the date of the resolution for winding-up the Company or (as the case may be) after the date of the order of the court for such winding-up by notice in writing to the Company to elect to be treated as if his conversion rights had been exercisable and had been exercised prior to the commencement of such winding-up and as if the Conversion Date for such conversion had been the date immediately preceding the date of such commencement and in that event he shall be entitled to be paid in satisfaction of the amount due in respect of such of his Preference Shares as are to be treated as if converted a sum equal to the amount to which he would have become entitled in such liquidation if he had been the holder of the ordinary shares to which he would have become entitled by virtue of such conversion, fractions being disregarded for this purpose (and in respect of his entitlement to receive such sum he shall rank *pari passu* with the holders of ordinary shares) and he shall not be entitled to be paid any arrears, deficiency or accrual of the Preference Dividend on such Preference Shares whether or not such Preference Dividend has been earned or declared or has become due and payable. At the expiration of the said period of 42 days, any outstanding Preference Shares shall cease to be capable of conversion or of being treated as if converted.

(8emand) No resolution shall be passed for the reduction of the share capital of the Company or any uncalled liability thereon or the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve in any manner (save in connection with a conversion of Preference Shares) or for the purchase by the Company of any of its own shares.

(ff) No resolution shall be passed consolidating or sub-dividing all or any of the ordinary shares or whereby the rights attached to the ordinary shares shall be modified, varied or abrogated unless an adjustment is or will be effected in accordance with Regulation 12(1)(m).

(gg) The Company shall not make any issue, offer or distribution or take any other action the effect thereof would be that, on the conversion of any Preference Shares, the Company would be required to issue shares at a discount.

(hh) The Company shall not take any action which would result in an adjustment of the Conversion Ratio if, after giving effect thereto, the number of ordinary shares

into which the Preference Shares will be converted would be increased to such an extent that could not be legally effected.

(m) **As regards adjustments.** The Directors may, in their absolute discretion and after consultation with a reputable bank or merchant bank, adjust the Conversion Ratio in accordance with the provisions of this Regulation 12(1)(m) if they consider it appropriate to do so. Any adjustments to be made pursuant to this Regulation 12(1)(m) shall be subject to the Act and other applicable laws and the provisions in Regulation 12(1)(l).

(i) If, whilst any Preference Shares remain capable of being converted into ordinary shares, the Company shall make any issue of ordinary shares by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve) to the holders of ordinary shares, the number of ordinary shares into which Preference Shares are to be converted on any subsequent conversion of Preference Shares may be increased pro rata and such increase shall become effective as at the record date for such issue. No adjustments shall be made in the event of the issue of ordinary shares (by way of capitalisation of profits or reserves) *in lieu* of cash dividends or in connection with a conversion of the Preference Shares into ordinary shares.

(ii) If, whilst any Preference Shares remain capable of being converted into ordinary shares, there shall be an alteration to the nominal value of ordinary shares as a result of a consolidation or sub-division, the number of ordinary shares into which Preference Shares are to be converted on any subsequent conversion of the Preference Shares may be reduced or increased accordingly, and such reduction or increase shall become effective immediately after the alteration takes effect.

(iii) If and whenever the Company shall make any Capital Distribution to holders of ordinary shares, then the number of ordinary shares into which every $0.05 nominal amount of Preference Shares (and so in proportion to any other nominal amount of the Preference Shares) is to be subsequently converted may be adjusted by multiplying such number of ordinary shares by the following fraction:

$$\frac{A}{A-B}$$

where:

A is the Current Market Price per Ordinary Share (as defined in Regulation 12(2)) at the date on which the Capital Distribution is publicly announced; and

B is the fair market value (expressed in cents) on the day of such announcement, as determined in good faith by a reputable bank or merchant bank (acting as an expert and not as an arbitrator) selected by the Directors of the portion of the Capital Distribution attributable to one Ordinary Share.

Such adjustment shall become effective as at the record date for the relevant Capital Distribution. The provisions of this Regulation 12(1)(m)(iii) shall not apply to any offer which falls within Regulation 12(1)(m)(iv).

(iv) If and whenever the Company shall offer to holders of ordinary shares as a class new ordinary shares by way of rights at a price which is less than the Current Market Price per ordinary share at the date of the announcement of the terms of the offer, then (except where the Conversion Ratio falls to be adjusted under Regulation 12(1)(m)(i) or (iii)) the number of ordinary shares into which every $0.05 nominal amount of Preference Shares (and so in proportion to any other nominal amount of the Preference Shares) is to be subsequently converted may be increased by a number equal to:

$$\frac{X \times Z}{Y + Z}$$

where:

X is the number (rounded down to the nearest one share) of the new ordinary shares which would have been offered to a holder of $0.05 nominal amount of Preference Shares had his conversion rights been exercisable and exercised in full immediately before the record date for such offer at the Conversion Ratio then applicable;

Y is the price (expressed in cents) payable for each such new ordinary share under the terms of the offer; and

B is the average (rounded down to the nearest $0.05) of the last transacted prices (expressed in cents) of one such new ordinary share, nil paid, during the first 5 Market Days on which such new ordinary shares are dealt in on the Securities Exchange, nil paid.

Such adjustment shall become effective as at the record date for the offer.

(v) Notwithstanding the preceding provisions of this Regulation 12(1)(m), in any circumstances where the Directors consider that any adjustments to the Conversion Ratio should be calculated on a different basis or date or should take effect on a different date from that provided for in this Regulation 12(1)(m) or that an adjustment to the Conversion Ratio should be made notwithstanding that no such adjustment is contemplated under this Regulation 12(1)(m), the Company may appoint a reputable bank or merchant bank to consider whether for any reason whatsoever the adjustment as set out under the provisions hereof is appropriate or inappropriate, as the case may be, and, if such bank or merchant bank shall consider the adjustment or the absence of an adjustment to be appropriate or inappropriate, as the case may be, the adjustment shall be modified or an adjustment made instead of no adjustment in such manner as shall be considered by such bank or merchant bank to be in its opinion appropriate.

(vi) If the Directors, after consultation with a reputable bank or merchant bank, determine that it is appropriate to make an adjustment to the Conversion Ratio pursuant to the provisions of this Regulation 12(1)(m), the auditors for the time being of the Company shall report the extent to which an adjustment to the Conversion Ratio falls to be made and the Company shall notify the Preference Shareholders and set forth brief particulars of the event or events giving rise to such adjustment, the Conversion Ratio in effect prior to such adjustment, the adjusted Conversion Ratio and the effective date thereof and shall make available for their inspection (at such place as shall be specified in such notice) a copy of the said report of the auditors and, where any determination of a reputable bank or merchant bank shall have been made pursuant to Regulation 12(1)(m), a copy of such determination. In the absence of manifest error, the adjustment to the Conversion Ratio as specified in such notice shall be conclusive and binding on all concerned.

(vii) Notwithstanding any other provisions in this Regulation 12(1)(m), the Directors shall have the discretion to determine if the Preference Shareholders shall be entitled (without having to convert the Preference Shares into ordinary shares) to participate in each issue, offer or invitation of ordinary shares or other securities which are offered for cash subscription or purchase on a pro-rata basis to all holders of ordinary shares as if the Preference Shares had been converted to ordinary shares on the day prior to the books closure date in respect of that issue. If the Directors shall determine that the Preference Shareholders shall be entitled to participate in such issue as aforesaid, no

adjustment which would otherwise have to be made under this Regulation 12(1)(m) shall be made.

(viii) As regards prescription. Any Preference Shareholder who has failed to claim dividends, distributions or other property or rights within 6 years of their having been made available to him will not thereafter be able to claim such dividends, distributions or other property or rights which shall be forfeited and shall revert to the Company. The Company shall retain such dividends, distributions or other property or rights but shall not at any time be a trustee in respect of any dividends, distributions or other property or rights nor be accountable for any income or other benefits derived therefrom.

(2) In Regulations 12(1) to 12(6) inclusive, the following expressions shall, unless the context otherwise requires, have the following meanings:

"**Capital Distribution**" shall mean any dividend or other distribution of capital profits (whether realised or not) or capital reserves of the Company, or of profits or reserves arising after the date of the first issue of the Preference Shares from the distribution of capital profits (whether realised or not) or capital reserves by a subsidiary, except by means of a capitalisation issue not contravening Regulation 12(1)(l)(x)(bb) provided that, in so far as relevant audited accounts do not distinguish between capital and revenue profits or reserves, the Company shall be entitled to rely upon a written estimate by the auditors for the time being of the Company as to the extent to which any part of any profit or reserve should be regarded as of a capital nature.

"**Conversion Agent**" means the share registrars of the Company for the time being or such other conversion agent in respect of the Preference Shares as may from time to time be appointed by the Company.

"**Conversion Amount**" means, in relation to a Preference Share, the aggregate of the nominal value of the Preference Share and the Premium but excluding any Preference Dividend payable thereon.

"**Conversion Date**" means, in relation to any Preference Share, each date during the Conversion Period on which a duly completed Conversion Notice and such other documents or evidence (if any) as the Directors may require to prove the title and claim of the person exercising the right of conversion are received by the Conversion Agent.

"**Conversion Notice**" means, in relation to any Preference Share, the notice (for the time being current) available from the Company or the Conversion Agent to be given by the Preference Shareholder to the Company for the conversion of the Preference Shares.

"**Conversion Period**" means the period during which the Preference Shares may be converted into fully-paid ordinary shares commencing on and including the second anniversary of the Issue Date up to the Mandatory Conversion Date but excluding such period(s) during which the Register of Preference Shareholders may be closed or during which (as may be specified by the Company in accordance with Regulation 12(1)(l)(i)) the Preference Shares are not convertible, or such other period as may be prescribed by the Directors for a new issue of preference shares.

"**Conversion Ratio**" means the conversion ratio of 1 ordinary share for every $0.05 in nominal value of Preference Share to be converted (subject to adjustment in certain circumstances in accordance with Regulation 12(1)(m)), or such other ratio as may be prescribed by the Directors for a new issue of preference shares.

"**Current Market Price per Ordinary Share**" at a particular date shall mean the average (rounded down to the nearest $0.05) of the last transacted prices of 1 ordinary share on the Securities Exchange for the 5 consecutive Market Days (on which such ordinary shares are dealt in on the Securities Exchange) ending on the Market Day immediately preceding such date.

"**Distributable Profits**" means, in relation to a Dividend Payment Date, the amount certified by the auditors to be the profit available to the Company for distribution as a dividend in compliance with Section 403 of the Act by reference to the then most recent Financial Statements.

"**Dividend Payment Date**" means each of the first to seventh anniversaries of the Issue Date and in the case of the last Dividend Payment Date, the Mandatory Conversion Date (or if any such date is not a Market Day, the next following day which is such a Market Day), or such other dates as may be prescribed by the Directors for a new issue of preference shares;

"**Financial Statements**" includes:

(a) the annual audited profit and loss accounts of the Company; and

(b) the unaudited profit and loss accounts of the Company prepared in respect of the first 6 months of each financial period for submission to Securities Exchange.

"**Issue Date**" means the date on which the Preference Shares are allotted or such other date as the Directors may decide.

"**Mandatory Conversion Date**" means 5.00 p.m. on the seventh anniversary of the Issue Date (or if any such date is not a Market Day. The next following day which is such a Market Day) or such other date as may be prescribed by the Directors for a new issue of preference shares.

"**Preference Dividend**" means a fixed annual gross dividend of $0.05 payable in respect of a Preference Share on a Dividend Payment Date including the Mandatory Conversion Date, or a dividend of such amount or at such rate as may be prescribed by the Directors for a new issue of preference shares, and where the context so requires, "Preference Dividend" shall include the amounts described in Regulation 12(1)(a)(iv).

"**Preference Shareholders**" means the registered holders of the Preference Shares, except that where the registered holder is the Depository, the term "Preference Shareholders" shall, in relation to such Preference Shares, mean the Depositors whose Securities Accounts are credited with the Preference Shares, and "Preference Shareholder" means any of them, Provided That (a) the Company shall be entitled to pay any Preference Dividend payable to such Depositor to the Depository and, to the extent of the payment made to the Depository, the Company shall be discharged from any and all liability in respect of that payment; and (b) the provisions in these Regulations relating to the transfer, transmission or certification of Preference Shares shall not apply to any transactions affecting book-entry securities (as defined in the Securities and Futures Act).

"**Relevant Rate**" means the prevailing prime lending rate publicly quoted by leading banks in Singapore from time to time, or such other rate as the Directors may prescribe in respect of a new issue of preference shares.

(3) The Register of Preference Shareholders may at the discretion of the Company be closed during such periods when the Register of Members and/or the Register of Transfers of the Company is/are closed or deemed to be closed, during such period to determine the entitlement to Preference Dividend or during such other periods as the Company may determine.

(4) If the Preference Dividend is not paid (or is not paid in full) on its due date, the Company will procure that the auditors shall, on or before the day falling 60 days after the relevant Dividend Payment Date, certify to the Preference Shareholders the Distributable Profits or the lack of any Distributable Profits with respect to that Dividend Payment Date and shall make such certificate available for inspection on request by any Preference Shareholder. In the event that such certification is not obtained, then without prejudice to the rights of the Preference Shareholders, the Preference Shareholders may by ordinary resolution passed at a meeting of those present and voting, appoint a reputable accounting firm to so certify at the expense of the Company, and the Company shall provide such assistance as such firm may require in connection therewith.

(5) Any consent, approval or sanction of the Preference Shareholders required under this Regulation 12 and/or any variation, abrogation, devaluation, dilution or other limitation of the rights of the Preference Shareholders as set out in these Regulations 12(1) to 12(6) inclusive shall require a special resolution of the Preference Shareholders in a separate class meeting Provided Always That where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the Preference Shares within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

(6) In the event of any conflict or inconsistency between the provisions of this Regulation 12 and the other provisions of these Regulations, then (in favour of the Preference Shareholders) the provisions of this Regulation 12 shall prevail.

13. **MODIFICATION OF RIGHTS OF PREFERENCE SHAREHOLDERS.** The repayment of preference capital other than redeemable preference capital, or any other alteration of preference shareholders' rights, may only be made pursuant to a special resolution of the preference shareholders concerned; Provided Always That where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths of the preference shares concerned within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

14. **RIGHTS NOT VARIED BY ISSUE OF ADDITIONAL SHARES.** The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

15. **NO TRUSTS RECOGNISED.** No person, other than the Depository, shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be required in any way to recognise (even when having notice thereof) any equitable, contingent future or partial interest in any share or any other rights in respect of any share other than an absolute right to the entirety thereof in the registered holder, except only as by these Regulations otherwise provided for or as required by the Statutes or pursuant to any order of court.

16. **OFFER OF NEW SHARES.** Subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted under the Security Exchange's listing rules, all new shares of whatever kind shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined and, after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Regulation.

17. **SHARE CERTIFICATES.** Unless otherwise resolved by the Directors, securities will be allotted and certificates issued under the Seal in such form as the Directors may approve, in the name of and despatched to every person whose name is entered as a Member in the Register of Members or allotted and despatched the Depository for the account of every Depositor who is a Member, within 10 Market Days (or such other periods as may be approved by any stock exchange upon which the shares may be listed) of the final applications closing date for an issue of securities or as the case may be after the lodgement of any registrable transfer. Every person whose name is entered as a Member in the Register of Members or in the name of the Depository, as the case may be, shall be entitled without payment to receive one certificate under the Seal in respect of each class of shares held by him for all his shares in that class or several certificates in reasonable denominations each for one or more of his shares in any one class upon payment of S$2.00 (or such sum as the Directors shall from time to time determine) for every certificate

after the first. Stamp duty payable on such certificate shall be borne by such Member unless otherwise directed by the Directors; Provided Always That in the case of joint holders (including Depositors) the Company shall not be bound to issue more than one certificate and delivery of such certificate to any one of them, or in the case of shares registered in the name of the Depository, to the Depository, shall be sufficient delivery to all such holders (including Depositors). Provided further that the Company shall not be bound to register more than 3 persons as the holders of any share except in the case of executors or administrators of the estate of a deceased Member.

18. **RENEWAL OF CERTIFICATES.** Subject to the provisions of the Act, if a share certificate be worn out, defaced, destroyed, lost or stolen, it may be renewed on payment of such fee not exceeding S$2.00 or, in the event of the Company being listed on the Securities Exchange, such other sum as may from time to time be prescribed by the Securities Exchange and on such terms as the Directors think fit, if any, as to evidence and indemnity being given by the shareholder, transferee, person entitled, purchaser or member of the Securities Exchange on behalf of its or their client(s) and, in the case of destruction, loss or theft, on payment by the shareholder or person entitled to whom such renewed certificate is given of out-of-pocket expenses of the Company of investigating evidence including the payment of stamp duty on such certificate or in the case of defacement or wearing out, on delivery up of the old certificate. Any duplicate certificate issued on or after 30 January 2006 in respect of a share certificate issued before that date shall state, in place of the historical nominal value of the shares, the amount paid on the shares and the amount (if any) unpaid on the shares.

19. **POWER TO PAY COMMISSION AND BROKERAGE.** The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment in cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may, in addition to, or *in lieu* of, such commission, in consideration of any person so subscribing or agreeing to subscribe, or of his procuring or agreeing to procure subscriptions, for any shares in the Company, confer on any such person an option call within a specified time for a specified number of shares in the Company at a specified price or on such other terms and conditions as the Directors may deem fit.

20. **POWER TO CHARGE INTEREST ON CAPITAL.** If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest on so much of the share capital as is for the time being paid up (except Treasury Shares) and may charge the same to capital as part of the cost of the construction or provision.

LIEN

21. **COMPANY TO HAVE LIEN ON SHARES AND DIVIDENDS.** The Company shall have a lien on every share not being a fully-paid share which shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such monies are due and unpaid, and to such amounts as the Company may be called up on by law to pay in respect of the shares of the Member or deceased Member. The Company's lien, if any, on a share shall extend to all dividends payable thereon.

22. **LIEN MAY BE ENFORCED BY SALE OF SHARES.** The Directors may sell any shares subject to such lien at such time or times and in such manner as they think fit, but no sale shall be made until such time as the monies in respect of which such lien exists or some part thereof are or is presently payable or a liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due or specifying the liability or engagement and demanding payment or fulfilment or discharge thereof, and giving notice of intention to sell in default, shall have been served on such Member or the persons (if any) entitled by transmission to the shares, and default in payment, fulfilment or discharge shall have been made by him or them for 7 days after such notice.

23. **DIRECTORS MAY AUTHORISE TRANSFER AND ENTER PURCHASER'S NAME IN REGISTER.** To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser and may enter the purchaser's name in the Register of Members as holders of the shares, and the purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

24. **APPLICATION OF PROCEEDS OF SALE.** The net proceeds of sale whether of a share forfeited by the Company or of a share over which the Company has a lien, shall be applied in or towards satisfaction of the amount due to the Company, or of the liability, as the case may be, and any residue after the satisfaction of the unpaid calls and accrued interest and expenses, shall be paid to the person whose shares have been forfeited, or his executors, administrators or assignees or as he directs.

25. **MEMBER NOT ENTITLED TO PRIVILEGES OF MEMBERSHIP UNTIL ALL CALLS PAID.** Subject to Regulation 126, no Member shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether in his own name or in a Securities Account, and whether alone or jointly with any other person, together with interest and expenses (if any).

CALLS ON SHARES

26. **DIRECTORS MAY MAKE CALLS.** The Directors may, subject to the provisions of these Regulations, from time to time make such calls upon the Members in respect of all monies unpaid on their shares as they think fit; Provided Always That 14 days' notice at least is given of each call and each Member shall be liable to pay the amount of every call so made upon him to the Company, by the instalments (if any) and at the times and places appointed by the Directors. A call may be revoked or postponed as the Directors may determine.

27. **WHEN CALL DEEMED TO HAVE BEEN MADE.** A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.

28. **LIABILITY OF JOINT HOLDERS.** The joint holders or joint depositors of a share shall be jointly and severally liable to pay all calls and instalments in respect thereof.

29. **INTEREST ON UNPAID CALLS.** If before or on the day appointed for payment thereof a call or instalment payable in respect of a share is not paid, the person from whom the same is due shall pay interest on the amount of the call or instalment at such rate as the Directors shall fix from the day appointed for payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part.

30. **PAYMENTS IN ADVANCE OF CALLS.** Any Member may pay to the Company and the Directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the monies for the time being remaining uncalled on his shares but the monies so paid in advance shall not, whilst carrying interest, confer a right to participate in the profits of the Company.

31. **MONIES PAID IN ADVANCE OF CALLS.** In respect of any monies paid in advance of any call, or so much thereof as exceeds the amount for the time being called up on the shares in respect of which such advance has been made, the Directors may pay or allow such interest as may be agreed between them and such Member, in addition to the dividend payable upon such part of the share in respect of which such advance has been made as is actually called up.

32. **SUM PAYABLE ON ALLOTMENT DEEMED TO BE A CALL.** Any sum which by the terms of allotment of a share is made payable upon allotment or at any fixed date shall, for all purposes of these Regulations, be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of these Regulations as to payment of interest and expenses, forfeiture and the like, and all the relevant provisions of these Regulations, shall apply as if such sum were a call duly made and notified as hereby provided.

33. **DIFFERENCE IN CALLS.** The Directors may, from time to time, make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls.

TRANSFER OF SHARES

34. **TRANSFER OF SHARES.** There shall be no restriction on the transfer of fully paid shares (except where required by law or, where the Company is listed on the Securities Exchange, the rules, bye-laws or listing rules of the Securities Exchange) but the Directors may in their discretion, refuse to register a transfer to a transferee of whom they do not approve, in the case of shares not fully paid up; Provided Always That in the event of the Directors refusing to register a transfer of shares, they shall within 30 days, or in the event of the Company being listed on the Securities Exchange, within 10 Market Days beginning with the day on which the application for such transfer was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Act.

35. **FORM OF TRANSFER.** Every transfer shall be in writing in the form approved by the Directors and in the event of the Company being listed on the Securities Exchange, by the Securities Exchange. Every instrument of transfer must be in respect of only one class of shares and must be duly stamped in accordance with any applicable law for the time being in force relating to stamp duty and shall be left at the Office (or such other place as may be approved by the Directors from time to time) accompanied by the certificate of the shares to be transferred and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer.

36. **TRANSFERS TO BE EXECUTED BY BOTH PARTIES.** The instrument of transfer of any share shall be executed by or on behalf of both the transferor and the transferee and be witnessed; Provided Always That the Depository shall not be required to sign, as a transferee, any transfer form relating to the transfer of shares to it and Provided Further That, at the discretion of the Directors, the signature of any other transferee may be dispensed with. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

37. **TRANSFER FEE.** The Company shall be entitled to charge a fee not exceeding $2.00 for each instrument of transfer or in the event of the Company being listed on the Securities Exchange, such other sum as may from time to time be prescribed by the Securities Exchange on the registration of every transfer.

38. **REGISTRATION OF TRANSFERS.** The Directors may decline to register any transfer unless all the preceding requirements are fully complied with. All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer and the certificates of the shares to which they refer which the Directors may refuse to register shall (except in the case of fraud) be returned to the party presenting the same.

39. **REGISTRATION OF TRANSFERS MAY BE SUSPENDED.** The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine; Provided Always That such registration shall not be suspended for more than 30 days in any year.

40. **RESTRICTION ON TRANSFER.** No share shall in any circumstances be issued or transferred to any infant, bankrupt or mentally disordered person but nothing herein contained shall be construed as imposing on the Company any liability in respect of the registration of such transfer if the Company has no actual knowledge of the same.

TRANSMISSION OF SHARES

41. **ON DEATH OF MEMBER, SURVIVOR OR EXECUTOR ONLY RECOGNISED.** In the case of the death of a Member the survivor or survivors, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares, but the Directors may require such evidence

as they deem fit in relation to such title to the shares. But nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.

42. **PERSON ENTITLED MAY RECEIVE DIVIDENDS WITHOUT BEING REGISTERED AS A MEMBER, BUT MAY NOT EXERCISE OTHER RIGHTS.** A person entitled to a share by transmission shall be entitled to receive, and may give a discharge for, any dividends or other monies payable in respect of the share, but he shall not be entitled in respect of it to receive notice of or to attend or vote at meetings of the Company or, save as aforesaid, to exercise any of the rights or privileges as a Member unless and until he shall become a Member in respect of the share.

FORFEITURE OF SHARES

43. **PAYMENT OF CALLS WITH INTEREST AND EXPENSES.** If any Member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment thereof, the Directors may at any time thereafter, during such time as the call or instalment or any part thereof remains unpaid, serve a notice on him or on the person entitled to the share by transmission requiring him to pay such call or instalment or such part thereof as remains unpaid, together with interest at such rate as the Directors shall determine, and any expenses that may have accrued by reason of such non-payment.

44. **NOTICE REQUIRING PAYMENT TO CONTAIN CERTAIN PARTICULARS.** The notice shall name a further day (not earlier than the expiration of 7 days from the date of the notice) on or before which such call or instalment, or such part as aforesaid, and all interest and expenses that have accrued by reason of such non-payment, are to be paid. It shall also name the place where payment is to be made, and shall state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made will be liable to be forfeited.

45. **ON NON-COMPLIANCE WITH NOTICE SHARES FORFEITED ON RESOLUTION OF DIRECTORS.** If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture notwithstanding that they shall have been declared.

46. **NOTICE OF FORFEITURE TO BE GIVEN AND ENTERED IN REGISTER OF MEMBERS.** When any share has been forfeited in accordance with these Regulations, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given and of the forfeiture with the date thereof, shall forthwith be made in the Register of Members opposite to the shares; but the provisions of this Regulation are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

47. **DIRECTORS MAY ANNUL FORFEITURE UPON TERMS.** Notwithstanding any such forfeiture as aforesaid the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit to impose.

48. **DIRECTORS MAY DISPOSE OF FORFEITED SHARES.** Every share which shall be forfeited may be sold, re-allotted or otherwise disposed of, either to the person who was before forfeiture the holder thereof or entitled thereto, or to any other person upon such terms and in such manner as the Directors shall think fit, and the Directors may, if necessary, authorise some person to transfer the same to such other person as aforesaid.

49. **FORMER HOLDER OF FORFEITED SHARES LIABLE FOR CALL MADE BEFORE FORFEITURE.** A shareholder whose shares have been forfeited shall, notwithstanding such forfeiture, be liable to pay to the Company all calls made and not paid on such shares at the time of forfeiture, and interest thereon to the date of payment, in the same manner in all respects as if the shares had not been forfeited, and to satisfy

all (if any) the claims and demands which the Company might have enforced in respect of the shares at the time of forfeiture, without any deduction of allowance for the value of the shares at the time of forfeiture.

50. **CONSEQUENCES OF FORFEITURE.** The forfeiture of a share shall involve the extinction at the time of forfeiture of all interests in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the shareholder whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Regulations expressly saved or as are by the Statutes given or imposed in the case of past Members.

51. **TITLE TO FORFEITED SHARE.** A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited in pursuance of these Regulations and stating the date upon which it was forfeited shall, as against all persons claiming to be entitled to the share adversely to the forfeiture thereof, be conclusive evidence of the facts therein stated, and such declaration, together with the receipt of the Company for the consideration (if any) given for the share on the sale or disposition thereof, and a certificate of proprietorship of the share under the Seal delivered to the person to whom the same is sold or disposed of, shall constitute a good title to the share, and (subject to the execution of any necessary transfer) such person shall be registered as the holder of the share, or where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold or disposed of. Such person shall be discharged from all calls made prior to such sale or disposition, and shall not be bound to see to application of the purchase money (if any) nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

CONVERSION OF SHARES INTO STOCK

52. **POWER TO CONVERT INTO STOCK.** The Company may from time to time by ordinary resolution passed at a general meeting convert any paid up shares into stock and reconvert any stock into paid up shares.

53. **TRANSFER OF STOCK.** The holders of stock may transfer the same or any part thereof in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might prior to conversion have been transferred or as near thereto as circumstances admit; but the Directors may from time to time fix the minimum amount of stock transferable and restrict or forbid the transfer of fractions of that minimum.

54. **RIGHTS OF STOCKHOLDERS.** The holders of stock shall according to the number of the stock held by them have the same rights privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by any such aliquot part of stock which would not if existing in shares have conferred that privilege or advantage.

55. **INTERPRETATION.** Such of the regulations of the Company as are applicable to paid up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

ALTERATION OF CAPITAL

56. **COMPANY MAY INCREASE ITS CAPITAL.** The Company may from time to time in general meeting increase its capital by the creation and issue of new shares, such aggregate increase to be of such amount as the Company by the resolution authorising such increase directs.

57. **POWER TO ISSUE INSTRUMENTS.** Notwithstanding the provisions herein, the Company may by ordinary resolution in general meeting give to the Directors general authority, either unconditionally or subject to such conditions as may be specified in the ordinary resolution, 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 (collectively "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and

(notwithstanding that the authority conferred by the ordinary resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the ordinary resolution was in force;

PROVIDED THAT:

(1) the aggregate number of shares to be issued pursuant to the ordinary resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution), does not exceed 100% (or such other limit as may be prescribed by any rules or by any supplemental measures of the Securities Exchange from time to time) of the total number of issued shares of the Company excluding Treasury Shares (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to the ordinary resolution), does not exceed 50% (or such other limit as may be prescribed by any rules or by any supplemental measures of the Securities Exchange from time to time) of the total number of issued shares of the Company excluding Treasury Shares (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by any rules or by any supplemental measures of the Securities Exchange from time to time) for the purpose of determining the aggregate number of shares excluding Treasury Shares that may be issued under sub-paragraph above, the percentage of issued share capital shall be calculated based on the total number of issued shares of the Company excluding Treasury Shares at the time of the passing of the ordinary resolution, after adjusting for:

(a) new shares arising from the conversion, exercise or vesting, as the case may be, of convertible securities, share options or share awards outstanding or subsisting at the time of the passing of the ordinary resolution; provided that such options or awards were granted pursuant to a share option scheme effected and administered in compliance with the rules of the Securities Exchange; and

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

(3) in exercising the authority conferred by the ordinary resolution, the Company shall comply with the provisions of the listing rules or any supplemental measures of the Securities Exchange for the time being in force (unless such compliance is waived by the Securities Exchange) and these Regulations; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by the ordinary resolution shall not continue in force beyond the conclusion of the annual general meeting of the Company next following the passing of the ordinary resolution, or the date by which such annual general meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).

58. **COMPANY MAY ALTER ITS CAPITAL.** The Company may by ordinary resolution:

(1) consolidate and divide all or any of its share capital; or

(2) cancel any number of shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its capital by the number of shares so cancelled;

(3) sub-divide its shares, or any of them, (subject, nevertheless, to the provisions of the Statutes) Provided Always That in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived, and so that the resolution whereby any share is subdivided may determine that, as between the holders of the shares resulting from such subdivision, one or more of such shares may have any such preferred or other special rights over, or may have such deferred rights or be subject to any restrictions as compared with the others as the Company has power to attach to unissued or new shares; or

(4) subject to the provisions of this Constitution and the Statutes, convert its share capital or any class of shares from one currency to another currency.

59. **COMPANY MAY REDUCE ITS CAPITAL.** The Company may by special resolution reduce its share capital in any manner authorised and subject to any conditions prescribed by the Statutes. Where the Company's share capital is reduced in accordance with the Act, a Member (past or present) shall not be liable in respect of the issue price of any share to any call or contribution greater in amount than the difference (if any) between (i) the issue price of the share; and (ii) the aggregate of the amount paid up on the share (if any) and the amount reduced on the share. This provision shall not apply to Treasury Shares held by the Company and the Company is entitled to cancel its Treasury Shares in the manner prescribed by the Act.

60. **SHARE REPURCHASE.**

(1) Subject to and in accordance with the provisions of the Act, the listing rules of the Securities Exchange, and other written law, the Company may purchase or otherwise acquire ordinary shares, stocks, preference shares, options, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments issued by it on such terms as the Company may think fit and in the manner prescribed by the Act.

(2) Where ordinary shares or stocks are purchased or acquired by the Company in accordance with the provisions of the Act, the Company may hold the shares or stocks (or any of them) or deal with any of them, at any time.

(3) Any ordinary share which is so purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition by the Company unless held in treasury; preference shares that are purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with the Act.

61. **TREASURY SHARES.**

(1) If the Company has only one class of shares, the aggregate number of shares held as Treasury Shares shall not at any time exceed 10% of the total number of shares of the Company at that time.

(2) Where the share capital of the Company is divided into shares of different classes, the aggregate number of shares of any class held as Treasury Shares shall not at any time exceed 10% of the total number of the shares in that class at that time.

(3) In the event of contravention of the above, the Company shall dispose of or cancel the excess shares in the manner provided by the Act.

(4) The Company shall not exercise any rights in respect of the Treasury Shares, including any right to attend or vote at meetings, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights. Any purported exercise of such a right is void.

(5) No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up) may be made to the Company in respect of the Treasury Shares save as specifically provided for in the Act.

MODIFICATION OF CLASS RIGHTS

62. **RIGHTS OF SHAREHOLDERS MAY BE ALTERED.** Subject (but not limited) to the provisions of Section 74 of the Act, all or any of the rights, privileges or conditions for the time being attached or belonging to any class of shares for the time being forming part of the share capital of the Company may from time to time be modified, affected, varied, extended or surrendered in any manner with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the Members of that class. To any such separate meeting all the provisions of these Regulations as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be Members of the class holding or representing by proxy one-third of the share capital paid or credited as paid on the issued shares of the class, and every holder of shares of the class in question shall be entitled on a poll to one vote for every such share held by him.

63. **CONVERSION OF SHARES.** Subject to the provisions of the Act, the Company may by special resolution passed at a general meeting convert any one class of shares for the time being forming part of the share capital of the Company into another class of shares and Regulation 62 shall apply where such conversion causes all or any of the rights, privileges or conditions for the time being attached or belonging to the first-mentioned class of shares to be modified, affected, varied, extended or surrendered in any manner.

GENERAL MEETINGS

64. **ANNUAL GENERAL MEETINGS.** An annual general meeting shall be held once in every calendar year and in accordance with the requirements of the Act, at such time and place in Singapore as may be determined by the Directors, but so that not more than four months or such other period as may be prescribed by the Act, shall be allowed to elapse between the close of each financial year and such annual general meeting.

65. **ANNUAL AND EXTRAORDINARY GENERAL MEETINGS.** The general meetings referred to in Regulation 64 shall be called annual general meetings. All other general meetings shall be called extraordinary general meetings.

66. **EXTRAORDINARY GENERAL MEETINGS.** The Directors may call an extraordinary general meeting at such time and place in Singapore as may be determined by the Directors whenever they think fit, and extraordinary general meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Act.

67. **NOTICE OF MEETING.** Any general meeting at which it is proposed to pass a special resolution or a resolution for which special notice is required and has been given to the Company in accordance with the Act, shall be called by 21 days' notice at least (excluding the date of notice and the date of meeting) and any other general meeting by 14 days' notice at least (excluding the date of notice and the date of meeting), provided that a general meeting notwithstanding that it has been called by a shorter notice than that specified above, shall be deemed to have been duly called if it is so agreed (a) in the case of an annual general meeting, by all the Members entitled to attend and to vote thereat; or (b) in the case of extraordinary general meetings, by a majority in number of the Members having a right to attend and vote thereat, being a majority which holds not less than 95% of the total voting rights of all the Members having a right to vote at that meeting. Every notice calling a general meeting shall specify the place (which shall be in Singapore) and the day and the hour of meeting and be given in the manner hereinafter mentioned to such persons as are under the provisions of these Regulations entitled to receive notices of general meetings from the Company. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. In the event of the Company being listed on the Securities Exchange at least 14 days' notice of every such meeting shall be given by advertisement in the daily press and in writing to the Securities

Exchange. The accidental omission to give such notice to, or the non-receipt of such notice by, any such person shall not invalidate the proceedings or any resolution passed at any such meeting.

68. **RESOLUTION SIGNED BY ALL MEMBERS AS EFFECTIVE AS IF PASSED AT GENERAL MEETING.** Subject to the Statutes, a resolution in writing signed by the Members (in accordance with the requirements of the Act) for the time being entitled to receive notice of and attend and vote at general meetings (or being corporations by their duly authorised representatives) shall be valid and effective as if the same had been passed at a general meeting of the Company duly convened and held, and may consist of several documents in the like form each signed by one or more Members. The expressions "in writing" and "signed" include approval by telefax, telex, cable or telegram or such other Electronic Communication by such Member.

PROCEEDINGS AT GENERAL MEETINGS

69. **SPECIAL BUSINESS.** All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting that is not routine business. Routine business shall mean and include only business transacted at an annual general meeting of the following classes:

(1) declaring dividends;

(2) receiving and adopting the financial statements, the statement of the Directors and the report of the Auditors, and any other documents required to be annexed to the financial statements;

(3) appointing and re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;

(4) appointing Auditors or re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in general meeting);

(5) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and

(6) fixing the Directors fees.

70. **NO BUSINESS TO BE TRANSACTED UNLESS QUORUM PRESENT.** No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. For all purposes the quorum shall be 2 Members personally present or represented by proxy.

71. **IF NO QUORUM MEETING ADJOURNED OR DISSOLVED.** If within half an hour from the time appointed for the holding of a general meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the Members present shall be a quorum.

72. **CHAIRMAN OF BOARD TO PRESIDE AT ALL MEETINGS.** The chairman of the Directors shall preside as chairman at every general meeting. If at any meeting the chairman be not present within 15 minutes after the time appointed for holding the meeting or be unwilling to act, the Members present shall choose one of the Directors to be Chairman of the meeting, or if no Director be present or if all the Directors present decline to take the chair, one of their number present shall be chairman.

73. **NOTICE OF ADJOURNED MEETINGS.** The chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine Provided Always That the place of the adjourned meeting shall be in Singapore. Whenever a meeting is adjourned for 10 days or more, notice of the adjourned meeting shall be given in the same manner as in the case of an original meeting. Save as aforesaid, no Member shall be entitled to any notice of any adjournment or of the business to be transacted at an

adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

74. **HOW RESOLUTION DECIDED.**

(1) If required by the listing rules of the Securities Exchange, all resolutions at general meetings shall be voted by poll.

(2) Subject to Regulation 74(1), at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands a poll is demanded by either:

(i) the chairman of the meeting; or

(ii) not less than 2 Members present in person or by proxy and entitled to vote at the meeting; or

(iii) a Member or Members present in person or by proxy and representing not less than 5% of the total voting rights of all the Members having the right to vote at the meeting; or

(iv) a Member or Members present in person or by proxy and holding not less than 5% of the total number of paid up shares of the Company (excluding Treasury Shares).

75. **RESULT OF VOTING.** Unless a poll is required, a declaration by the chairman of the general meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets or electronics means) as the chairman of the general meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was required. The chairman of the general meeting may (and, if required by the listing rules of the Securities Exchange or if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

76. **VOTES COUNTED IN ERROR.** If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting or at any adjournment thereof, and unless it shall in the opinion of the chairman be of sufficient magnitude.

77. **HOW POLL TO BE TAKEN.**

(1) A poll on the choice of a chairman of the meeting or on a question of adjournment shall be taken immediately. A poll required on any other question shall be taken either immediately or at such subsequent time (not being more than 30 days from the date of the meeting) and place in Singapore as the chairman of the meeting may direct. No notice need be given of a poll not taken immediately. The demand for a poll pursuant to Regulation 74(2) shall not prevent the continuance of the general meeting for the transaction of any business other than the question on which the poll has been demanded.

(2) After the chairman of any meeting shall have declared the general meeting to be over and shall have left the chair no business or question shall under any pretext whatsoever be brought forward or discussed.

78. **CHAIRMAN TO HAVE CASTING VOTE.** In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a second or casting vote.

VOTES OF MEMBERS

79. **NUMBER OF VOTES.** Subject to any special rights or restrictions for the time being attached to any class or classes of shares at any general meeting, every Member who is present in person or by proxy or by attorney shall have one vote for each share which he holds or represents.

80. **VOTING IN ABSENTIA.** Subject to these Regulations and the provisions of the Act, the Directors may, at their sole discretion approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any general meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

81. **SPLIT VOTES.** On a poll a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

82. **VOTES OF JOINT HOLDERS OF SHARES.** In the case of joint holders, any one of such persons may vote, but if more than one of such persons is present at the meeting, the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holder; and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or the Depository Register (as the case may be). Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Regulation be deemed joint holders thereof.

83. **VOTES OF MEMBERS WHO ARE MENTALLY DISORDERED.** A person who is mentally disordered, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other legal curator and such last-mentioned persons may give their votes either personally or by proxy.

84. **MEMBERS INDEBTED TO COMPANY IN RESPECT OF SHARES NOT ENTITLED TO VOTE.** No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares held by him in the Company, whether in his own name or in a Securities Account, and whether alone or jointly with any other person, have been paid.

85. **APPOINTMENT OF PROXIES.** A Member shall be entitled to be present and to vote on any question either personally or by proxy, or as proxy for another Member at any general meeting, or upon a poll and to be reckoned in a quorum in respect of any fully paid-up shares and of any shares upon which calls due and payable to the Company shall have been paid. A proxy need not be a Member of the Company. A Member may appoint not more than 2 proxies to attend and vote at the same general meeting provided that no limit shall be imposed on the number of proxies for Relevant Intermediaries. Each proxy appointed by a Relevant Intermediary must be appointed to exercise the rights attached to a different share or shares held by such Relevant Intermediary (which number and class of shares shall be specified). Shareholders holding shares through Relevant Intermediaries may attend any general meeting as proxies. No Member shall be entitled so to vote or be recognised in a quorum in respect of any shares upon which any call or other sum so due and payable shall be unpaid. An instrument of proxy shall be deemed to confer authority to demand, join in demanding and vote on a poll.

86. **INSTRUMENT APPOINTING A PROXY TO BE LEFT AT THE OFFICE.** The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority shall be deposited at the Office (or such other place, if any, as is specified for the purpose in the notice convening the meeting) not less than 72 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. The deposit of an instrument appointing a proxy does not preclude a member concerned from attending and voting in person at the meeting, as well as for any adjournment of the meeting to which it relates. In such an event, the appointment of the proxy or proxies is deemed to be revoked by the member concerned at the point when the member attends the meeting.

87. **FORM OF PROXY.** An instrument appointing a proxy or a representative shall be in writing in any usual or common form or in any other form which the Directors may approve and:

(a) in the case of an individual, shall be signed by the appointor or his attorney; and

(b) in the case of a corporation, shall be either under its common seal or signed by an attorney or a duly authorised officer on behalf of the corporation or, in the case of the Depository, signed by its duly authorised officer by some method or system of mechanical signature as the Depository may deem appropriate.

88. **OMISSION TO INCLUDE PROXY FORM.** In the event that forms of proxy are sent to Members together with any notice of meeting, the accidental omission to include the form of proxy to, or the non-receipt of such form of proxy by any person entitled to receive a notice of meeting shall not invalidate any resolution passed or any proceeding at any such meeting.

89. **CORPORATION ACTING BY REPRESENTATIVES.** Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any general meeting of the Company or of any class of Members, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member, save that such person shall not be otherwise entitled to attend the meeting as a Member or proxy or corporate representative of another Member.

(2) Save as herein provided and subject to the provisions of the Act, the Directors may meet together either in person at any place or by conference telephone, video- conferencing or other means of similar communications equipment whereby all persons participating in the meeting are able to hear or be heard by all other participants, for the despatch of business, adjourn and otherwise regulate their meetings as they think fit and the quorum for such conference meeting shall be the same as the quorum required by a Directors' meeting provided in these Regulations. Save as herein provided and subject to the provisions of the Act and/or other applicable law, the Directors may participate in a meeting via any form of Electronic Communication or medium or such other methods as the Directors may deem fit. A resolution passed pursuant to this Regulation shall, notwithstanding that the Directors are not present together at one place at the time, be deemed to have passed at a meeting of the Directors held on the day and at the time at which the meeting was held and shall be deemed to have been held at the Office of the Company, unless otherwise agreed, and all Directors participating at that meeting shall be deemed for all purposes of these Regulations to be present at that meeting.

DIVIDENDS AND RESERVE

124. **DISTRIBUTION OF PROFITS.** Subject to any preferential or other special rights for the time being attached to any special class of shares, the profits of the Company which it shall from time to time determine to distribute by way of dividend shall be applied in payment of dividends upon the shares of the Company in proportion to the amounts paid up or credited as paid up thereon respectively otherwise than in advance of calls.

125. **DECLARATION OF DIVIDENDS.** The Directors may, with the sanction of a general meeting, from time to time declare dividends, but no such dividend shall (except as expressly authorised by the Act and/or any other applicable law) be payable except out of the profits of the Company. Any dividend unclaimed after 6 years from the date of declaration shall be forfeited and revert to the Company. If the Depository returns any such dividend or monies to the Company, the relevant Depositor shall not have any right or claim in respect of such Dividend or monies against the Company if a period of 6 years has elapsed from the date of the declaration of such dividend. The Directors may, if they think fit, from time to time declare and pay to the Members such interim dividends as appear to them to be justified by the position of the Company, and may also from time to time if in their opinion such payment is so justified, pay any preferential dividends which by the terms of issue of any shares are made payable on fixed dates. No higher dividend shall be

paid than is recommended by the Directors, and the declaration of the Directors as to the amount of the net profits shall be conclusive. Subject to the provisions of the Act where any asset, business or property is bought by the Company as from a past date upon the terms that the Company shall as from that date take the profits and bear the losses, thereof, such profits or losses, as the case may be, shall, at the discretion of the Directors, be credited or debited wholly or in part to revenue account, and in that case the amount so credited or debited shall, for the purpose of ascertaining the fund available for dividend be included accordingly. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest by the Company, such dividend or interest when paid may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.

126. **DEDUCTION FROM DIVIDEND.** The Directors may deduct from any dividend payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

127. **RETENTION OF DIVIDENDS ON SHARES SUBJECT TO LIEN.** The Directors may retain any dividends or other monies payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

128. **RETENTION OF DIVIDENDS ON SHARES PENDING TRANSMISSION.** The Directors may retain the dividends payable on shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person under those provisions is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.

129. **PAYMENT OTHERWISE THAN IN CASH.** Any general meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of any other company or in any one or more of such ways, and the Directors shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Member upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors. Any shares allotted as fully paid bonus shares in respect of the Treasury Shares shall be treated for the purposes of this Act as if they were purchased by the Company at the time they were allotted.

130. **SCRIP DIVIDENDS.**

(1) Whenever the Directors or the Company in general meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid *in lieu* of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:

(a) the basis of any such allotment shall be determined by the Directors;

(b) the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid *in lieu* of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be

lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Regulation 130;

(c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded Provided That the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and

(d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect of which the share election has been duly exercised (the "elected ordinary shares") and *in lieu* and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding any provision of the Regulations to the contrary, the Directors shall be empowered to do all things necessary and convenient for the purpose of implementing the aforesaid, including, without limitation, the making of each necessary allotment of shares and of each necessary appropriation, capitalisation, application, payment and distribution of funds which may be lawfully appropriated, capitalised, applied, paid or distributed for the purpose of the allotment and without prejudice to the generality of the foregoing the Directors may (i) capitalise and apply the amount standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.

Ranking of shares and other actions

(2) (a) The ordinary shares allotted pursuant to the provisions of paragraph (1) of this Regulation 130 shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.

(b) The Directors may do all acts and things considered necessary or expedient to give effect to any appropriation, capitalisation, application, payment and distribution of funds pursuant to the provisions of paragraph (1) of this Regulation 130, with full power to make such provisions as they may think fit in the case of fractional entitlements to shares (including, notwithstanding any provision to the contrary in these Regulations, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than the Members) and to authorise any person to enter on behalf of all the Members interested into an agreement(s) with the Company providing for any such appropriation, capitalisation, application, payment and distribution of funds and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

Record date

(3) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Regulation 130, determine the rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is

registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit and, in such event, the provisions of this Regulation 130 shall be read and construed subject to such determination.

Cash *in lieu* of shares

(4) The Directors may, on any occasion when they resolve as provided in paragraph (1) of this Regulation 130, further determine that no allotment of shares or rights of election for ordinary shares under that paragraph shall be made available or made to Members whose registered addresses entered in the Register of Members (or as the case may be) the Depository Register is outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and in such event the only entitlements of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.

Cancellation

(5) Notwithstanding the foregoing provisions of this Regulation 130, if at any time after the Directors' resolution to apply the provisions of paragraph (1) of this Regulation 130 in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefore, as they deem fit, cancel the proposed application of paragraph (1) of this Regulation 130.

131. **DIRECTORS MAY FORM RESERVE FUND AND INVEST.** The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves, which shall at the discretion of the Directors be applicable for meeting contingencies, or for repairing or maintaining any works connected with the business of the Company, or for equalising dividends, or for distribution by way of special dividend or bonus, or may be applied for such other purposes for which the profits of the Company may lawfully be applied as the Directors may think expedient in the interests of the Company, and pending such application the Directors may employ the sums from time to time so set apart as aforesaid in the business of the Company or invest the same in such securities, other than the shares of the Company, as they may select. The Directors may also from time to time carry forward such sums as they may deem expedient in the interests of the Company.

132. **DIVIDEND WARRANTS TO BE POSTED TO MEMBERS.** Every dividend warrant may, unless otherwise directed, be sent by post to the last registered address of the Member entitled thereto, and the receipt of the person, whose name at the date of the declaration of the dividend appears on the Register of Members or (as the case may be) the Depository Register as the owner of any share or, in the case of joint holders or joint Depositors, of any one of such joint holders, shall be a good discharge to the Company for all payments made in respect of such share. No unpaid dividend or interest shall bear interest as against the Company.

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

133. **COMPANY MAY ISSUE BONUS SHARES, CAPITALISE PROFITS AND RESERVES**

(1) The Directors may, with the sanction of an ordinary resolution of the Company (including any ordinary resolution passed pursuant to Regulation 57):

(a) issue bonus shares for which no consideration is payable to the Company to all the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an ordinary resolution passed pursuant to Regulation 57) such other date as may be determined by the Directors,

in proportion to their then holdings of shares; and/or

(b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to all the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:

(i) the date of the ordinary resolution (or such other date as may be specified therein or determined as therein provided); or

(ii) (in the case of an ordinary resolution passed pursuant to Regulation 57) such other date as may be determined by the Directors, in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

(2) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation under this Regulation 133, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue and/or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

(3) In addition and without prejudice to the powers provided for by Regulation 133(1), the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other monies of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other monies carried and standing to any reserve or reserves) and to apply such profits or other monies in paying up in full new shares, in each case on terms that such shares shall, upon issue, be held by or for the benefit of such person or persons as the Directors may in their absolute discretion deem fit, including (but not limited to) participants of any share incentive or option scheme or plan implemented by the Company and approved by Members in general meeting, all in such manner and on such terms as the Directors shall think fit.

APPENDIX IV – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2022

The audited consolidated financial statements of the Group for FY2022 which are set out below have been reproduced from the Company's annual report for FY2022, and were not specifically prepared for inclusion in this Circular.

A copy of the annual report of the Company for FY2022 is available for inspection at the registered office of the Company at 6 Temasek Boulevard, #23-01, Suntec Tower Four, Singapore 038986 during normal business hours for the period during which the Offer remains open for acceptance.

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of ICP Ltd (the "Company") and its subsidiaries (collectively, the "Group") and statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2022.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 72 to 147 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 2022, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and 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.

DIRECTORS

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

Tan Kok Hiang	Independent Director and Non-Executive Chairman
Aw Ming-Yao Marcus	Executive Director
Koh Tien Gui	Independent and Non-Executive Director
Ong Kok Wah	Independent and Non-Executive Director

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967, except as follows:

	Shareholdings registered in name of director			Shareholdings in which directors are deemed to have an interest		
Name of directors and companies in which interests are held	**At 1 July 2021**	**At 30 June 2022**	**At 21 July 2022**	**At 1 July 2021**	**At 30 June 2022**	**At 21 July 2022**
The Company						
Ordinary shares ('000)						
Aw Ming-Yao Marcus	–	–	–	100,000[(i)]	100,000[(i)]	100,000[(i)]
Ong Kok Wah	35,600	35,600	35,600	–	–	–
Tan Kok Hiang	800	800	800	–	–	–

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

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.

DIRECTORS' STATEMENT

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 by the shareholders of the Company 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)
Mr. Tan Kok Hiang
Mr. Koh Tien Gui

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 154% 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.

DIRECTORS' STATEMENT

(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 end 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.

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 1967 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).

DIRECTORS' STATEMENT

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.

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

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

Auditors

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

.....
Tan Kok Hiang

.....
Aw Ming-Yao Marcus

11 October 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF 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 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 72 to 147.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (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 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *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 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 AUDITOR'S REPORT

TO THE MEMBERS OF ICP LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

Key audit matters (Continued)

Going concern basis of accounting (Refer to Note 2.2 to the financial statements)	
The key audit matter	*How the matter was addressed in our audit*
The Group incurred a net loss of S$1,419,000 for the year ended 30 June 2022. As at 30 June 2022, the Group is in a net current liabilities position of S$11,385,000 and has net equity of S$33,063,000. The Group also has cash and cash equivalents amounting to S$6,877,000. As at 30 June 2022, one of the subsidiaries in the Group has an outstanding bank loan payable with a carrying amount of S$18,436,000, which is secured by the hotel property and freehold land with a carrying amount of S$30,211,000. As at 30 June 2022, the subsidiary did not meet one of the financial covenants in relation to the loan and the bank granted a waiver before the end of the reporting period. As at 30 June 2022, the bank loan of which S$14,985,000 is due in February 2023 has been classified as a current liability and as a result, the Group is in a net current liability position. On 30 September 2022, management has obtained approval from bank for the refinancing of the secured bank loan. Based on the terms of the refinancing, the loan amount of RM 52,000,000 (S$16,420,000) is expected to take effect from February 2023 and loan tenure will be 30 months from the date of drawdown. Upon refinancing, the loan will be reclassified to non-current liability. As disclosed in Note 2.2 to the financial statements, having considered the cash flows forecast prepared, management has assessed that the Group can continue as a going concern for at least the next twelve months from the date of our report and that there is no material uncertainty related to going concern. In preparing the forecast, management has assumed that the Group will continue to meet all existing financial covenants and that the bank will continue to support the Group and grant a waiver should there be a breach of the covenants. As the going concern assessment involves significant judgements and consideration of future events, we have identified this to be a key audit matter.	We evaluated management's assessment of the Group's ability to continue as a going concern by performing a review of the cash flows forecast prepared by management. We assessed the reasonableness of the key assumptions used in developing these forecasts (primarily revenue and expenses) by comparing to historical and available market information, and performed a stress-test on those key assumptions. We checked to the waiver obtained from the bank for the financial covenant that was breached. We reviewed the loan refinancing agreement and its terms and conditions. We also checked the loan repayments included in the cash flow forecast against the loan repayment schedules. We considered the adequacy of the related disclosures in Note 2.2 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICP LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

Key audit matters (Continued)

Impairment assessment of Hotel property (inclusive of freehold land, hotel property, renovation, furniture and equipment) (S$32,336,000) (Refer to Note 6 to the financial statements)	
The key audit matter	*How the matter was addressed in our audit*
As of 30 June 2022, the net carrying value of the hotel property is amounted to S$32,336,000 or 53.4% of total assets. Management has engaged external valuer to assess the recoverable amount of the hotel property which is determined based on value-in-use method. The key assumptions used in the income capitalisation method are discount rate and capitalisation rate. The impairment assessment of hotel property has been included as a key audit matter in the audit report as the valuation process involves significant judgements in projecting income and estimating the appropriate capitalisation and discount rates under the income capitalisation method.	We considered the qualifications, competencies, and scope of work of the external professional valuer. In addition, we discussed with the external valuer on the results of their work and the appropriateness of the valuation methodologies used by the independent valuer. We engaged our internal valuation specialist to review and understand the valuation methodologies used and the underlying assumptions where appropriate. We challenged the capitalisation and discount rates for the hotel property based on income capitalisation method. We considered the adequacy of the required disclosures in Note 6 to the financial statements.
Impairment assessment of intangible – trademarks (S$6,052,000) (Refer to Note 7 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's judgement is required in estimating the forecasted revenue of the hotels taking into consideration the COVID-19 pandemic, 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 engaged our internal valuation specialist to review the appropriateness of the discount rates used by management in the value-in-use calculations. We considered the adequacy of the required disclosures in Note 7 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICP LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

Key audit matters (Continued)

Impairment assessment of goodwill and vessels (inclusive of dry-docking expenditures) (S$1,167,000 and S$10,174,000 respectively) **(Refer to Note 7 and Note 6 to the financial statements)**	
The key audit matter	*How the matter was addressed in our audit*
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's judgement is required in estimating the future vessel charter revenues and discount rates of the CGUs. In management's 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.	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 performed stress-test on the key assumptions that are most sensitive to changes, in particular charter income. We engaged our internal valuation specialist to review the appropriateness of the discount rates used by management in the value-in-use calculations. We considered the adequacy of the required disclosures in Note 7 to the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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.

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 AUDITOR'S REPORT

TO THE MEMBERS OF 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.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICP LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Continued)

Auditor's responsibilities for the audit of the financial statements (Continued)

- 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.

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Khor Tee Heng.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

11 October 2022

STATEMENTS OF FINANCIAL POSITION

30 June 2022

	Note	Group		Company	
		2022	2021	2022	2021
		S$'000	S$'000	S$'000	S$'000
Non-current assets					
Property, plant and equipment	6	**42,529**	45,329	**3**	4
Intangible assets	7	**7,219**	6,558	**–**	–
Investment in subsidiaries	8	**–**	–	**8,300**	8,300
Associate and joint venture	9	**20**	25	**–**	–
Other investments	10	**380**	639	**380**	639
Other receivables	11	**1,679**	1,653	**18,323**	18,323
Right-of-use assets	12	**143**	128	**–**	–
Total non-current assets		**51,970**	54,332	**27,006**	27,266
Current assets					
Trade and other receivables	11	**1,721**	1,648	**8,069**	7,702
Inventories		**6**	75	**–**	–
Cash and cash equivalents	13	**6,877**	8,269	**3,623**	5,138
Total current assets		**8,604**	9,992	**11,692**	12,840
Total assets		**60,574**	64,324	**38,698**	40,106
Capital, reserves and non-controlling interests					
Share capital	14	**34,626**	34,626	**34,626**	34,626
Reserves	15	**(9,784)**	(8,226)	**(2,733)**	(1,127)
Equity attributable to owners of the Company		**24,842**	26,400	**31,893**	33,499
Non-controlling interests	16	**8,221**	8,520	**–**	–
Total equity		**33,063**	34,920	**31,893**	33,499
Non-current liabilities					
Loans and borrowings	18	**5,977**	23,180	**3,110**	4,265
Amounts due to non-controlling interests	19	**269**	800	**–**	–
Deferred tax liability	20	**1,276**	1,269	**–**	–
Total non-current liabilities		**7,522**	25,249	**3,110**	4,265
Current liabilities					
Loans and borrowings	18	**16,829**	1,096	**1,260**	735
Amounts due to non-controlling interests	19	**1,312**	1,152	**–**	–
Trade and other payables	21	**1,637**	1,768	**2,435**	1,607
Lease liabilities	22	**143**	139	**–**	–
Current tax liabilities		**68**	–	**–**	–
Total current liabilities		**19,989**	4,155	**3,695**	2,342
Total equity and liabilities		**60,574**	64,324	**38,698**	40,106

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 June 2022

	Note	Group 2022 S$'000	Group 2021 S$'000
Revenue	23	**5,121**	4,370
Cost of sales		**(1,588)**	(1,636)
Gross profit		**3,533**	2,734
Other income		**145**	240
Administrative expenses		**(3,788)**	(3,007)
Results from operating activities		**(110)**	(33)
Finance income	24	**14**	15
Finance costs	24	**(891)**	(905)
Net finance costs		**(877)**	(890)
Other losses		**(359)**	(138)
Share of results of equity-accounted investees, net of tax	9	**2**	20
Loss before tax	25	**(1,344)**	(1,041)
Tax expenses	26	**(75)**	(78)
Loss for the year		**(1,419)**	(1,119)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		**(438)**	(82)
Other comprehensive loss, net of tax		**(438)**	(82)
Total comprehensive loss for the year		**(1,857)**	(1,201)
Loss for the year attributable to:			
Owners of the Company		**(1,230)**	(920)
Non-controlling interests	16	**(189)**	(199)
		(1,419)	(1,119)
Total comprehensive loss attributable to:			
Owners of the Company		**(1,558)**	(939)
Non-controlling interests	16	**(299)**	(262)
		(1,857)	(1,201)
Loss per share			
Basic and diluted (cents per share)	27	**(0.04)**	(0.03)

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2022

	Share capital 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 2020	87,434	(1,338)	(374)	(58,383)	27,339	4,177	31,516
Capital reduction (Note 14)	(52,808)	–	–	52,808	–	–	–
Capital contribution by non-controlling interests (Note 18)	–	–	–	–	–	4,605	4,605
Total comprehensive loss for the year							
Loss for the year	–	–	–	(920)	(920)	(199)	(1,119)
Other comprehensive loss for the year	–	–	(19)	–	(19)	(63)	(82)
Total comprehensive loss for the year	–	–	(19)	(920)	(939)	(262)	(1,201)
At 30 June 2021	34,626	(1,338)	(393)	(6,495)	26,400	8,520	34,920
At 1 July 2021	34,626	(1,338)	(393)	(6,495)	26,400	8,520	34,920
Total comprehensive loss for the year							
Loss for the year	–	–	–	(1,230)	(1,230)	(189)	(1,419)
Other comprehensive loss for the year	–	–	(328)	–	(328)	(110)	(438)
Total comprehensive loss for the year	–	–	(328)	(1,230)	(1,558)	(299)	(1,857)
At 30 June 2022	**34,626**	**(1,338)**	**(721)**	**(7,725)**	**24,842**	**8,221**	**33,063**

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2022

	Share capital S$'000	Accumulated losses S$'000	Total equity S$'000
Company			
At 1 July 2020	87,434	(52,808)	34,626
Capital reduction	(52,808)	52,808	–
Total comprehensive loss for the year			
Loss for the year	–	(1,127)	(1,127)
At 30 June 2021	34,626	(1,127)	33,499
At 1 July 2021	34,626	(1,127)	33,499
Total comprehensive loss for the year			
Loss for the year	–	(1,606)	(1,606)
At 30 June 2022	**34,626**	**(2,733)**	**31,893**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2022

	Note	Group 2022 S$'000	2021 S$'000
Cash flows from operating activities			
Loss before tax		**(1,344)**	(1,041)
Adjustments for:			
Depreciation of property, plant and equipment		**1,987**	2,038
Depreciation of right-of-use-assets		**176**	172
Amortisation of intangible assets		**8**	14
Net loss arising on financial asset mandatorily measured at FVTPL		**103**	–
Interest expenses		**885**	885
Interest expenses of lease liabilities		**6**	20
Interest income		**(14)**	(15)
Share of results of equity-accounted investees, net of tax		**(2)**	(20)
Unrealised foreign exchange loss		**170**	131
Property, plant and equipment written off		**3**	–
Doubtful debts written off on trade receivables		**92**	–
Loss allowance on trade receivables		**209**	–
Loss allowance on amount due from an associate		**76**	–
Operating cash flows before movements in working capital		**2,355**	2,184
Inventories		**69**	(1)
Trade and other receivables		**(396)**	191
Trade and other payables		**(181)**	(42)
Cash generated from operations		**1,847**	2,332
Interest paid		**(885)**	(885)
Net cash from operating activities		**962**	1,447
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(11)**	(798)
Acquisition of intangible assets		**(669)**	(306)
Interest received		**14**	15
Non-trade amount due from an associate		**(68)**	–
Net of proceeds from the disposal and purchase of unquoted fund investments		**156**	106
Placement of fixed deposits with tenor of more than 3 months placed with financial institutions		**–**	(40)
Net cash used in investing activities		**(578)**	(1,023)
Cash flows from financing activities			
Proceeds from loans and borrowings		**–**	5,000
Repayment to non-controlling interests, net		**(371)**	(988)
Repayment of lease liabilities		**(193)**	(193)
Repayment of loans and borrowings		**(1,000)**	–
Net cash (used in)/from financing activities		**(1,564)**	3,819
Net (decrease)/increase in cash and cash equivalents		**(1,180)**	4,243
Cash and cash equivalents at beginning of the financial year		**7,772**	3,593
Effects of exchange rate fluctuations on cash held		**(203)**	(64)
Cash and cash equivalents at end of the financial year	13	**6,389**	7,772

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

These notes form an integral part of the financial statements.

1 GENERAL

ICP Ltd (the "Company") (Registration Number 196200234E) is incorporated in the Republic of Singapore with its principal place of business and registered office at 10 Anson Road, #28-16 International Plaza, Singapore 079903. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The financial statements of the Group as at and for the year ended 30 June 2022 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 Notes 8 and 9, respectively.

The consolidated financial statements of the Group and statement of financial position and the statement of changes in equity of the Company for the year ended 30 June 2022 were authorised for issue by the Board of Directors on 11 October 2022.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

2.2 Going concern basis of accounting

The Group incurred a net loss of S$1,419,000 (2021: S$1,119,000) for the year ended 30 June 2022. As at 30 June 2022, the Group is in a net current liability position of S$11,385,000 (2021 : net current asset position of S$5,837,000) and has net equity of S$33,063,000 (2021: S$34,920,000). The Group also has cash and cash equivalents amounting to S$6,877,000 (2021: S$8,269,000).

As at 30 June 2022, one of the subsidiaries in the Group has a secured bank loan with a carrying amount of S$18,436,000 (2021: S$19,276,000). The bank loan is secured by the Group's hotel property and freehold land with a carrying amount of S$30,211,000 (2021: S$31,283,000) as at 30 June 2022.

During the year ended 30 June 2022, one of the bank financial 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 operation continues to be impacted by COVID-19 pandemic during the financial year.

On 14 June 2022, the Group obtained a waiver letter from the bank for the financial year ended 30 June 2022 granting an indulgence for the non-compliance. Therefore the principal amount together with any interest owing to the bank will not become immediately payable or be demanded by the bank.

A portion of the secured bank loan amounting to S$14,985,000 is due in February 2023, hence it has been classified as a current liability as at June 30, 2022 in accordance with SFRS(I) 1-1 Presentation of Financial Statements. This resulted in the Group being in a net current liability position.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

2 BASIS OF PREPARATION (Continued)

2.2 Going concern basis of accounting (Continued)

On 30 September 2022, management has obtained approval from bank for the refinancing of the secured bank loan. Based on the terms of the refinancing, the loan amount of RM 52,000,000 (S$16,420,000) is expected to take effect from February 2023 and loan tenure will be 30 months from the date of drawdown. The DSCR has also been re-negotiated with the bank and has decreased from 1.2 times to 1.0 times.

Upon refinancing, the loan will be reclassified to non-current liability.

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

(a) The Group expects the vessels to continue generating positive operating cash flows in the next twelve months;

(b) The Group expects future cash inflows from operation of hotel property and hotel fees. This is supported by the lifting of travel restrictions across the world and increasing revenue recorded in the second half of FY2022. In addition to border restrictions being lifted, the Group is also increasing the number of hotels under “Travelodge”;

(c) The Group will continue to meet all existing financial covenants at least up to 30 September 2023, and that the bank will continue to support the Group and grant a waiver should there be a breach of the covenants. The management will monitor the compliance with the financial covenants closely and if there is any impending breach, management will reach out to bank to obtain letter of waiver; and

(d) The Group has no significant commitments as at 30 June 2022 that would require significant cash outflows.

Based on the cash flows forecast prepared up to September 2023, management has a reasonable expectation that the Group has adequate resources to continue as a going concern for at least the next twelve months from the date of approval of the financial statements and that there is no material uncertainty related to going concern as at the end of reporting period.

2.3 Basis of measurement

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

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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

2 BASIS OF PREPARATION (Continued)

2.5 Use of estimates and judgements (Continued)

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 4.

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 financial 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 5.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Basis of consolidation (Continued)

(i) Business combinations (Continued)

Acquisition from 1 July 2017 (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Basis of consolidation (Continued)

(ii) Subsidiaries

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

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

(iii) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

(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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Basis of consolidation (Continued)

(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.

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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Foreign currency (Continued)

(ii) Foreign operations (Continued)

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.

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

On initial recognition, a financial asset is classified as measured at: amortised cost; FVTOCI – 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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets (Continued)

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 FVTOCI

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.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVTOCI 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 FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

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;

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets: Business model assessment (Continued)

- 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.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

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).

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF 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 (Continued)

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.

Non-derivative financial assets: Subsequent measurement and gains and losses

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 FVTOCI

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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Financial instruments (Continued)

(iv) Offsetting

Financial assets and financial 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.

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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Property, plant and equipment (Continued)

(i) Recognition and measurement (Continued)

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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and 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.

(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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Property, plant and equipment (Continued)

(iii) Depreciation (Continued)

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 20 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.

(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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5 Intangible asset and goodwill (Continued)

(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 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.

3.7 Impairment

(i) Non-derivative financial assets

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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

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.

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.

(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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7 Impairment (Continued)

(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.

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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 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.

(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 2022 and 30 June 2021, there are no share-based payment transactions with the Group's employees.

3.9 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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10 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 rendered 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.

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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10 Revenue recognition (Continued)

(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.

3.11 Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Leases (Continued)

The Group as lessee (Continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value; or
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3.6(iii).

The Group as lessor

Leases where the Group retains substantially all risks and rewards of ownership are classified as operating lease.

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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 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.

3.13 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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13 Tax expense (Continued)

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

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

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

3.14 Earnings per share

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

3.15 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The 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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.16 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 32.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the entity's accounting policies

In addition to those judgements related to going concern as disclosed in Note 2.2, there are no critical judgements that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

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. As described in Note 3.5, 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 FINANCIAL STATEMENTS

30 June 2022

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (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.

Determining whether an asset is impaired requires an estimation of the recoverable amount of this asset. The recoverable amount of the asset is the higher of its fair value less costs of disposal and its value in use.

For the valuation of trademark, 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.

For the valuation of hotel property, 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 capitalisation and discount rates.

For the valuation of goodwill, 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 discount rates.

For the valuation of vessels (inclusive of dry-docking expenditure), assumptions are made in relation to the continual renewal of existing charter contracts over the forecast period.

Changes in the above estimates and assumptions may result in impairment losses on these tangible and intangible assets.

The carrying amount of property, plant and equipment and intangible assets are disclosed in Notes 6 and 7.

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.

Information about the valuation techniques and inputs used in determining the fair value are disclosed in Note 5.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Financial assets				
Financial assets at fair value through profit or loss	**380**	639	**380**	639
Financial assets at amortised cost (including cash and cash equivalents)	**10,173**	11,344	**29,978**	31,137
Financial liabilities				
Lease liabilities	**143**	139	**–**	–
Financial liabilities at amortised cost	**26,024**	27,981	**6,805**	6,608

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Group and Company do not have any financial instruments which are subjected to offsetting, enforceable master netting arrangements or similar netting agreements.

(c) Financial risk management policies and objectives

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:

- market risk
- credit risk
- liquidity 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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) Financial risk management policies and objectives (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.

(i) Foreign exchange risk management

The Group has no significant foreign currency denominated financial assets or financial liabilities except for cash and cash equivalents, 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"), Hong Kong Dollar ("HKD") and Japanese Yen ("JPY").

As at each reporting date, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Liabilities		Assets	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Group				
MYR	**19,017**	19,712	**1,408**	1,430
HKD	**–**	–	**1,679**	1,653
JPY	**–**	–	**1,096**	1,304

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) Financial risk management policies and objectives (Continued)

Market risk (Continued)

(i) Foreign exchange risk management (Continued)

Foreign currency sensitivity (Continued)

If the relevant foreign currency strengthens by 10% against the functional currency of each Group entity, the Group's loss for the year would have increase (decreased) by:

	MYR impact		HKD impact		JPY impact	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Group						
Profit or loss	**1,761**	1,828	**(168)**	(165)	**(110)**	(130)

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

Company

The Company does not hold significant foreign currency denominated financial assets or financial liabilities and hence, no foreign currency sensitivity was performed.

(ii) Interest rate risk management

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	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Fixed rate instruments				
Fixed bank deposits	**488**	497	**–**	–
Loans and borrowings	**4,370**	5,000	**4,370**	5,000
Variable rate instruments				
Loans and borrowings	**18,436**	19,276	**–**	–

NOTES TO FINANCIAL STATEMENTS

30 June 2022

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) Financial risk management policies and objectives (Continued)

Market risk (Continued)

(ii) *Interest rate risk management* (Continued)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

	Loss for the year	
	100 bp increase S$'000	**100 bp decrease S$'000**
Group		
2022		
Variable rate instruments – loans and borrowings	**184**	**(184)**
2021		
Variable rate instruments – loans and borrowings	193	(193)

Company

The Company's loss for the year and other comprehensive income are not affected by the changes in interest rates as the interest-bearing instruments carry fixed interest and are measured at amortised cost.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) Financial risk management policies and objectives (Continued)

Credit risk

(i) Overview of the Group's exposure to 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.

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risk is minimised and monitored through limiting its associations to business partners with high creditworthiness. Trade receivables' payment profile and credit exposure are monitored on an ongoing basis through Group's management reporting procedures.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

NOTES TO FINANCIAL STATEMENTS

30 June 2022

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) Financial risk management policies and objectives (Continued)

Credit risk (Continued)

(i) Overview of the Group's exposure to credit risk (Continued)

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
Group						
2022						
Trade receivables	**n.a.**	**(i)**	**Lifetime ECL (simplified approach)**	**1,439**	**(209)**	**1,230**
Other receivables	**n.a.**	**Performing**	**12m ECL**	**387**	**–**	**387**
Amount due from an associate (Non-trade)	**n.a.**	**Performing**	**12m ECL**	**1,755**	**(76)**	**1,679**
					(285)	
2021						
Trade receivables	n.a.	(i)	Lifetime ECL (simplified approach)	1,136	–	1,136
Other receivables	n.a.	Performing	12m ECL	286	–	286
Amount due from an associate (Non-trade)	n.a.	Performing	12m ECL	1,653	–	1,653
					–	

NOTES TO FINANCIAL STATEMENTS

30 June 2022

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) Financial risk management policies and objectives (Continued)

Credit risk (Continued)

(i) Overview of the Group's exposure to credit risk (Continued)

	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
Company						
2022						
Other receivables	**n.a.**	**Performing**	**12m ECL**	**20**	**–**	**20**
Amounts due from subsidiaries (Non-current)	**n.a.**	**Performing**	**12m ECL**	**18,323**	**–**	**18,323**
Amounts due from subsidiaries (current)	**n.a.**	**Performing**	**12m ECL**	**8,012**	**–**	**8,012**
					–	
2021						
Other receivables	n.a.	Performing	12m ECL	34	–	34
Amounts due from subsidiaries (Non-current)	n.a.	Performing	12m ECL	18,323	–	18,323
Amounts due from subsidiaries (current)	n.a.	Performing	12m ECL	7,642	–	7,642
					–	

(i) For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) Financial risk management policies and objectives (Continued)

Credit risk (Continued)

(ii) Credit risk management

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 23.

As at 30 June 2022, 99.8% (2021: 99.8%) 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 2022 and 2021.

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 2022 and 2021

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.

	Gross carrying amount S$'000	Credit impaired
Group		
2022		
Current	**423**	**No**
Past due < 30 days	**151**	**No**
Past due 31 to 90 days	**117**	**No**
Past due 91 to 180 days	**88**	**No**
Past due 181 to 365 days	**118**	**No**
Past due > 365 days	**542**	**Yes**
	1,439	

NOTES TO FINANCIAL STATEMENTS

30 June 2022

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) Financial risk management policies and objectives (Continued)

Credit risk (Continued)

(ii) *Credit risk management* (Continued)

Trade and other receivables (Continued)

	Gross carrying amount S$'000	Credit impaired
Group		
2021		
Current	430	No
Past due < 30 days	40	No
Past due 31 to 90 days	150	No
Past due 91 to 180 days	110	No
Past due 181 to 365 days	285	No
Past due > 365 days	121	No
	1,136	

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

	Group S$'000	Company S$'000
At 1 July 2020 and 30 June 2021	–	–
Loss allowance recognised	209	–
At 30 June 2022	**209**	**–**

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 Company held non-trade amounts due from subsidiaries of S$26,335,000 (2021: S$25,965,000). 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 FINANCIAL STATEMENTS

30 June 2022

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) Financial risk management policies and objectives (Continued)

Credit risk (Continued)

(ii) Credit risk management (Continued)

Non-trade amount due from an associate

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

	Group S$'000	Company S$'000
At 1 July 2020 and 30 June 2021	–	–
Loss allowance recognised	76	–
At 30 June 2022	**76**	**–**

The Group held non-trade amount due from an associate of S$1,679,000 (2021: S$1,653,000). 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.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of S$6,877,000 (2021: S$8,269,000) and S$3,623,000 (2021: S$5,138,000) respectively at 30 June 2022.

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 management

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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) Financial risk management policies and objectives (Continued)

Liquidity risk (Continued)

Liquidity risk management (Continued)

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.

Liquidity risk analysis

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	Weighted average effective interest rate %	On demand or within 1 year S$'000	Within 2 to 5 years S$'000	Total S$'000
Group				
2022				
Lease liabilities (fixed rate)	**8.45**	**143**	**–**	**143**
Loans and borrowings (variable rate)	**4.22**	**15,569**	**2,867**	**18,436**
Loans and borrowings (fixed rate)	**2.45**	**1,260**	**3,110**	**4,370**
Non-interest bearing	**–**	**2,949**	**269**	**3,218**
		19,921	**6,246**	**26,167**

NOTES TO FINANCIAL STATEMENTS

30 June 2022

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) Financial risk management policies and objectives (Continued)

Liquidity risk (Continued)

Liquidity risk analysis (Continued)

Non-derivative financial liabilities (Continued)

	Weighted average effective interest rate %	On demand or within 1 year S$'000	Within 2 to 5 years S$'000	Total S$'000
Group				
2021				
Lease liabilities (fixed rate)	8.50	139	–	139
Loans and borrowings (variable rate)	4.24	361	18,915	19,276
Loans and borrowings (fixed rate)	2.45	735	4,265	5,000
Non-interest bearing	–	2,905	800	3,705
		4,140	23,980	28,120
Company				
2022				
Loans and borrowings (fixed rate)	**2.45**	**1,260**	**3,110**	**4,370**
Non-interest bearing	**–**	**2,435**	**–**	**2,435**
		3,695	**3,110**	**6,805**
2021				
Loans and borrowings (fixed rate)	2.45	735	4,265	5,000
Non-interest bearing	–	1,608	–	1,608
		2,343	4,265	6,608

(d) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2021.

The capital structure of the Group consists of debts comprising of loans and borrowings (Note 18), amounts due to non-controlling interests (Note 19) and equity attributable to owners of the Company comprising of issued share capital (Note 14) and reserves (Note 15).

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 FINANCIAL STATEMENTS

30 June 2022

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(d) Capital management policies and objectives (Continued)

The Group's gearing ratio at the end of the reporting period was as follows:

	2022 S$'000	2021 S$'000
Total liabilities^	**24,387**	26,228
Less: cash and cash equivalents	**(6,877)**	(8,269)
Net debt	**17,510**	17,959
Total equity	**33,063**	34,920
Adjusted net debt to adjusted equity ratio	**0.53**	0.51

^ Excludes income tax payable, deferred tax liabilities, lease liabilities and trade and other payables

There were no changes in the Group's and Company's approach to capital management during the year. The Group and Company are subject to externally imposed capital requirements for the financial years ended 30 June 2022 and 2021. As at 30 June 2022, one of the financial covenant requirements, which required one of the subsidiaries of the Group to maintenance of a DSCR of minimum 1.2 times, was breached. On 14 June 2022, the Group obtained a waiver letter from the bank to grant an indulgence for non-compliance of the covenant for the financial year ended 30 June 2022.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(e) Fair value of financial assets and financial liabilities

Fair value of the Group's financial assets that are measured at fair value on a recurring basis.

Group and Company

Some of the Group and Company's financial assets and financial liabilities are measured at fair value as at each reporting date. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

	Fair value as at (S$'000)							
	2022		2021			Valuation technique(s)		Relationship of unobservable
Financial asset	Assets	Liabilities	Assets	Liabilities	Fair value hierarchy	and key input(s)	Significant unobservable input(s)	inputs to fair value
Financial assets at fair value through profit or loss:								
Investment in unquoted fund investments	**380**	**–**	639	–	Level 3	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)

NOTES TO FINANCIAL STATEMENTS

30 June 2022

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(e) Fair value of financial assets and financial liabilities (Continued)

Reconciliation of Level 3 fair value measurements

	Other investment S$'000
Group and Company	
2022	
Opening balance	**639**
Total losses:	
– In profit or loss#	**(103)**
Return of capital from unquoted fund investments	**(156)**
Closing balance	**380**
2021	
Opening balance	745
Return of capital from unquoted fund investments	(106)
Closing balance	639

Included as part of "other losses" in profit or loss.

Other investments relate to investments in unquoted investment funds and unquoted equity securities. There is no quoted market price available for other investments.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(e) Fair value of financial assets and financial liabilities (Continued)

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 decreased the Group's and the Company's loss by approximately S$38,000 (2021: S$64,000). An equal change in the opposite direction would have increased the Group's and the Company's loss by the same amount.

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 financial liabilities

The carrying amounts of other financial assets and financial 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. The fair values of other classes of financial assets and financial liabilities are disclosed in the respective notes to financial statements.

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.

6 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 2020	16,905	15,181	18,594	1,941	2,910	588	149	9	56,277
Additions	–	15	–	768	–	–	15	–	798
Effect of movement in exchange rates	(75)	26	–	–	(12)	(3)	–	–	(64)
At 30 June 2021	16,830	15,222	18,594	2,709	2,898	585	164	9	57,011
Additions	–	–	–	–	2	1	6	2	11
Written off	–	–	–	–	–	(14)	–	–	(14)
Reclassification	–	–	–	–	–	(15)	15	–	–
Effect of movement in exchange rates	(409)	(388)	–	–	(73)	6	25	–	(839)
At 30 June 2022	**16,421**	**14,834**	**18,594**	**2,709**	**2,827**	**563**	**210**	**11**	**56,169**
Accumulated depreciation									
At 1 July 2020	–	491	7,100	1,339	410	224	91	1	9,656
Depreciation for the year	–	304	750	582	241	129	31	1	2,038
Effect of movement in exchange rates	–	(26)	–	–	15	(1)	–	–	(12)
At 30 June 2021	–	769	7,850	1,921	666	352	122	2	11,682
Depreciation for the year	–	295	750	608	211	94	28	1	1,987
Written off	–	–	–	–	–	(11)	–	–	(11)
Reclassification	–	–	–	–	–	(24)	24	–	–
Effect of movement in exchange rates	–	(20)	–	–	(20)	5	17	–	(18)
At 30 June 2022	**–**	**1,044**	**8,600**	**2,529**	**857**	**416**	**191**	**3**	**13,640**
Carrying amounts									
At 30 June 2021	16,830	14,453	10,744	788	2,232	233	42	7	45,329
At 30 June 2022	**16,421**	**13,790**	**9,994**	**180**	**1,970**	**147**	**19**	**8**	**42,529**

NOTES TO FINANCIAL STATEMENTS

30 June 2022

6 PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment assessment for hotel property

The recoverable amount of the hotel property is determined based on income capitalisation (2021: income capitalisation) method. The key assumptions used in the income capitalisation method are discount rate of 8.25% and capitalisation rate of 6.25% (2021: discount rate of 8.25% and capitalisation rate of 6.25%).

Management has identified that an increase in discount rate by 1.83% (2021: 0.10%) or capitalisation rate by 0.70% (2021: 0.03%), while holding all other assumptions constant, would cause the carrying amount of hotel property to exceed the recoverable amount as at 30 June 2022.

	Computer equipment S$'000
Company	
Cost	
At 1 July 2020, 30 June 2021 and 30 June 2022	11
Accumulated depreciation	
At 1 July 2020	6
Depreciation for the year	1
At 30 June 2021	7
Depreciation for the year	1
At 30 June 2022	**8**
Carrying amounts	
At 30 June 2021	4
At 30 June 2022	**3**

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

	Group	
	2022 S$'000	**2021 S$'000**
– Cost of sales	**1,358**	1,332
– Administrative expenses	**629**	706
	1,987	2,038

(i) The hotel property and freehold land, with net carrying amount of S$30,211,000 (2021: S$31,283,000) is pledged to a bank as a first legal charge over the Group's hotel property to secure term loan facilities (Note 18).

NOTES TO FINANCIAL STATEMENTS

30 June 2022

7 INTANGIBLE ASSETS

	Software S$'000	Goodwill S$'000	Trademark S$'000	Total S$'000
Group				
Cost				
At 1 July 2020	286	1,167	5,078	6,531
Additions	–	–	306	306
At 30 June 2021	286	1,167	5,384	6,837
Additions	1	–	668	669
At 30 June 2022	**287**	**1,167**	**6,052**	**7,506**
Accumulated amortisation				
At 1 July 2020	265	–	–	265
Amortisation for the year	14	–	–	14
At 30 June 2021	279	–	–	279
Amortisation for the year	8	–	–	8
At 30 June 2022	**287**	**–**	**–**	**287**
Carrying amounts				
At 30 June 2021	7	1,167	5,384	6,558
At 30 June 2022	**–**	**1,167**	**6,052**	**7,219**

	Software S$'000
Company	
Cost	
At 1 July 2020, 30 June 2021 and 30 June 2022	4
Accumulated amortisation	
At 1 July 2020 and 30 June 2021	4
Amortisation for the year	–*
At 30 June 2022	**4**
Carrying amounts	
At 30 June 2021	–
At 30 June 2022	**–**

* Amount less than S$1,000.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

7 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	
	2022	**2021**
	S$'000	**S$'000**
Cash-generating units		
GMT Bravo Pte. Ltd.	**613**	613
GMT Charlie Pte. Ltd.	**554**	554
	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	
	2022	**2021**	**2022**	**2021**
	%	**%**	**%**	**%**
GMT Bravo Pte. Ltd.	**2.5**	2.5	**8.4**	8.5
GMT Charlie Pte. Ltd.	**2.5**	2.5	**8.4**	8.5

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 FINANCIAL STATEMENTS

30 June 2022

7 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:

	Increase in pre-tax discount rate	
	2022	**2021**
	%	**%**
GMT Bravo Pte. Ltd.	**2.6**	2.4
GMT Charlie Pte. Ltd.	**2.6**	2.4

In addition, a decrease in growth rate by 2.5% (2021: 2.5%) would cause the carrying amount of the CGUs to exceed the recoverable amount of GMT Bravo Pte. Ltd. and GMT Charlie Pte. Ltd., respectively as at 30 June 2022.

(i) 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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

7 INTANGIBLE ASSETS (Continued)

(i) Goodwill (Continued)

Sensitivity to change in assumptions (Continued)

(i) Trademark rights (Continued)

Impairment assessment (Continued)

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 (2021: 5 years). The key assumptions used in value-in-use calculations are:

	2022	**2021**
	%	**%**
Average growth in number of rooms	**19**	19
Average room occupancy rate	**10 to 95**	18 to 89
Pre-tax discount rates	**9 to 11**	8 to 10
Terminal growth rate	**3**	3

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.

8 SUBSIDIARIES

	Company	
	2022	**2021**
	S$'000	**S$'000**
Unquoted equity shares, at cost	**8,300**	8,300

NOTES TO FINANCIAL STATEMENTS

30 June 2022

8 SUBSIDIARIES (Continued)

Details of the Group's subsidiaries as at 30 June 2022 are as follows:

Name of subsidiary	Country of incorporation	Proportion of ownership interest 2022 %	2021 %	Principal activity
Held by the Company				
ICP Asset Management Pte. Ltd.[1]	Singapore	**100**	100	Management consultancy
ICP Marine Pte. Ltd.[1]	Singapore	**100**	100	Investment holding
Paragon Holdings Pte. Ltd.[1]	Singapore	**100**	100	Investment holding
AceA Resources Pte. Ltd.[1]	Singapore	**100**	100	Investment holding
Travelodge Hotels Asia (IP) Pte. Ltd.[1]	Singapore	**100**	100	Investment holding and ownership of trademark rights
Travelodge Hotels (Asia) Pte. Ltd.[2]	Singapore	**100**	100	Hospitality services
Midscale Hotel Investments Pte. Ltd.[1]	Singapore	**100**	100	Investment Holding
Held by ICP Marine Pte. Ltd.				
GMT Bravo Pte. Ltd.[2]	Singapore	**51**	51	Vessel ownership and provider of leasing services
GMT Charlie Pte. Ltd.[2]	Singapore	**51**	51	Vessel ownership and provider of leasing services
Held by Travelodge Hotels Asia (IP) Pte. Ltd.				
Travelodge (IP) Pty Limited[4]	Australia	**100**	100	Investment holding
Tu Jin Hotels (IP) Pte. Ltd.[1]	Singapore	**100**	100	Investment holding
Travelodge Hotels India (IP) Pte. Ltd.[1]	Singapore	**100**	100	Investment holding
Held by Travelodge Hotels (Asia) Pte. Ltd.				
Tu Jin Hotels Pte. Ltd.[1]	Singapore	**100**	100	Hospitality services
TVL Hotels Asia (Kuala Lumpur) Sdn. Bhd.[4]	Malaysia	**100**	100	Hospitality services
Held by Tu Jin Hotels Pte. Ltd.				
Tu Jin (Ningbo) Hotel Management Co Ltd[4]	China	**100**	100	Hospitality services
Held by Midscale Hotel Investments Pte. Ltd.				
MHI HK 1 Pte. Ltd.[1]	Singapore	**100**	100	Investment holding
MHI MY 1 Pte. Ltd.[1][5]	Singapore	**73.3**	73.3	Investment holding
MHI SG 1 Pte. Ltd.[1]	Singapore	**100**	100	Investment holding
Held by MHI MY 1 Pte. Ltd.				
MHI MY 1 Sdn. Bhd.[3][5]	Malaysia	**73.3**	73.3	Hospitality services
Held by MHI MY 1 Sdn. Bhd.				
Geo Hotel Sdn. Bhd.[3][5]	Malaysia	**73.3**	73.3	Hospitality services

Notes:

(1) Exempt from audit under Singapore Companies Act 1967.

(2) Audited by Deloitte & Touche LLP, Singapore.

(3) Audited by other member firms of Deloitte & Touche Tohmatsu Limited.

(4) Not audited as it is immaterial. The unaudited management financial statements as at 30 June 2022 have been used for consolidated purpose.

(5) The proportion of voting power held by the Group for the financial years ended 30 June 2022 and 2021 was 100%.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

8 SUBSIDIARIES (Continued)

Principal activities	Place of incorporation and operation	Number of wholly owned subsidiaries	
		2022	2021
Hospitality services	Singapore	**2**	2
	China	**1**	1
	Malaysia	**1**	1
Investment holding	Singapore	**8**	8
	Australia	**1**	1
Investment holding and ownership of trademark rights	Singapore	**1**	1
Management consultancy	Singapore	**1**	1
		15	15

Principal activities	Place of incorporation and operation	Number of non-wholly owned subsidiaries	
		2022	2021
Hospitality services	Malaysia	**2**	2
Investment holding	Singapore	**1**	1
Vessel ownership and provider of leasing services	Singapore	**2**	2
		5	5

9 ASSOCIATE AND JOINT VENTURE

	Group	
	2022 S$'000	2021 S$'000
Investment in associate	**–***	–*
Investment in joint venture	**20**	25
	20	25
Share of results of associates and joint venture, net of tax	**2**	20

* Amount less than S$1,000.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

9 ASSOCIATE AND JOINT VENTURE (Continued)

Details of the Group's associate as at 30 June 2022 are as follows:

Name of associate	Place of incorporation and operation	Proportion of ownership interest		Principal activity
		2022	2021	
		%	%	
Robust Century Ltd ("Robust Century")	Cayman Islands	**2**	2	Management and operation of hotels

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 the Group's joint venture as at 30 June 2022 are as follows:

Name of joint venture	Place of incorporation and operation	Proportion of ownership interest		Principal activity
		2022	2021	
		%	%	
Travelodge (Thailand) Co., Ltd.	Thailand	**20**	20	Management and operation of hotels

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 FINANCIAL STATEMENTS

30 June 2022

10 OTHER INVESTMENTS

	Note	Group		Company	
		2022	2021	2022	2021
		S$'000	S$'000	S$'000	S$'000
Unquoted equity securities – FVOCI		**–**	–	–	–
Unquoted fund investments – FVTPL	5	**380**	639	**380**	639

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 2022 and 2021, management assessed the fair value of these investments to be S$Nil.

Unquoted fund investments

In the current year, the Group recognised a fair value loss of S$103,000 (2021: S$Nil) on the investment in unquoted fund investments as the net asset values of the underlying fund investments decreased. The fair value loss was recognised directly in profit or loss under other losses.

The Group's and Company's exposure to market risk and fair value measurement related to other investments is disclosed in Note 5.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

11 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Non-current				
Non-trade amounts due from subsidiaries[(b)]	**–**	–	**18,323**	18,323
Non-trade amount due from an associate[(a)]	**1,755**	1,653	**–**	–
Loss allowance	**(76)**	–	**–**	–
	1,679	1,653	**–**	–
	1,679	1,653	**18,323**	18,323
Current				
Trade receivables	**1,439**	1,136	**–**	–
Loss allowance	**(209)**	–	**–**	–
	1,230	1,136	**–**	–
Non-trade amounts due from subsidiaries (Note 31)	**–**	–	**8,012**	7,642
Deposits	**295**	218	**6**	6
Other receivables	**92**	68	**14**	28
Trade and other receivables	**1,617**	1,422	**8,032**	7,676
Grant receivables	**–**	157	**–**	–
Prepayments	**104**	69	**37**	26
	1,721	1,648	**8,069**	7,702

(a) Non-trade amount due from an associate is unsecured, non-interest bearing and repayable on demand. Amount due from an associate has been classified as non-current assets as the Company does not expect for repayment within 12 months after the reporting date.

(b) Amounts due from subsidiaries are non-trade related, unsecured, non-interest bearing, and repayable on demand. Amounts due from subsidiaries have been classified as non-current assets as the Company does not expect for repayment within 12 months after the reporting date.

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 5.

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2021: 30 to 90 days) credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

There has been no change in the estimation techniques or significant assumptions made during the financial year.

NOTES TO FINANCIAL STATEMENTS

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12 RIGHT-OF-USE ASSETS (GROUP AS A LESSEE)

The Group leases office with an average lease term of 1 to 3 years.

	Office rental S$'000
Group	
Cost:	
At 1 July 2020 and 30 June 2021	470
Additions	191
At 30 June 2022	**661**
Accumulated depreciation:	
At 1 July 2020	170
Charge for the year	172
At 30 June 2021	342
Charge for the year	176
At 30 June 2022	**518**
Carrying amount:	
At 30 June 2021	128
At 30 June 2022	**143**

13 CASH AND CASH EQUIVALENTS

	Group		Company	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Cash and bank balances	**6,389**	7,772	**3,623**	5,138
Fixed deposits	**488**	497	**–**	–
Cash and cash equivalents in the statements of financial position	**6,877**	8,269	**3,623**	5,138
Fixed deposits with tenor of more than 3 months placed with financial institutions	**(488)**	(497)		
Cash and cash equivalents in the consolidated statement of cash flows	**6,389**	7,772		

The weighted average effective interest rates per annum relating to fixed deposits at the reporting date for the Group was 1.75% (2021: 1.75% to 2.75%) per annum.

Fixed deposits pledged represents bank balances of certain subsidiaries pledged as security to obtain credit facilities (Note 18).

NOTES TO FINANCIAL STATEMENTS

30 June 2022

14 SHARE CAPITAL

	Group and Company			
	2022	2021	2022	2021
	Number of ordinary shares ('000)		S$'000	S$'000
Issued and fully paid ordinary shares, with no par value				
At the beginning of the financial year	**3,111,689**	3,111,689	**34,626**	87,434
Capital reduction	**–**	–	**–**	(52,808)
At the end of the financial year	**3,111,689**	3,111,689	**34,626**	34,626

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.

During the year, the Company has undertaken a capital reduction exercise, pursuant to Section 78A read with Section 78C of the Companies Act, to reduce the share capital of the Company by the cancellation of the share capital of the Company that has been lost or is unrepresented by available assets to the extent of the amount of the accumulated losses of the Company up to 30 June 2020 of S$52,808,188.

The capital reduction has reduced the paid-up share capital of the Company by S$52,808,188 to write off the accumulated losses. The number of issued shares and the percentage of shares held by the shareholders immediately after the capital reduction remain unchanged, and no capital was returned to the shareholders.

15 RESERVES

	Group		Company	
	2022	2021	2022	2021
	S$'000	S$'000	S$'000	S$'000
Foreign currency translation reserve	**(721)**	(393)	**–**	–
Other reserve	**(1,338)**	(1,338)	**–**	–
Accumulated losses	**(7,725)**	(6,495)	**(2,733)**	(1,127)
	(9,784)	(8,226)	**(2,733)**	(1,127)

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 goodwill arising from the acquisition of subsidiaries prior to 1 January 2021, recognised directly to equity.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

16 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	
		2022 %	2021 %
GMT Bravo Pte. Ltd. ("GMT Bravo")	Singapore	**49**	49
GMT Charlie Pte. Ltd. ("GMT Charlie")	Singapore	**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

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), 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%	
2022					
Revenue	**948**	**948**	**690**	**–**	
Profit/(Loss) for the year	**198**	**178**	**(1,246)**	**(155)**	
Other comprehensive loss	**–**	**–**	**–**	**(410)**	
Total comprehensive income/(loss)	**198**	**178**	**(1,246)**	**(565)**	
Attributable to NCI:					
– Profit/(Loss) for the year	**97**	**87**	**(332)**	**(41)**	**(189)**
– Total comprehensive income/(loss)	**97**	**87**	**(332)**	**(151)**	**(299)**
Non-current assets	**4,981**	**5,193**	**33,005**	**19,334**	
Current assets	**1,162**	**991**	**1,688**	**1,881**	
Non-current liabilities	**(656)**	**(618)**	**(22,201)**	**(167)**	
Current liabilities	**(169)**	**(609)**	**(17,158)**	**(4,447)**	
Net assets/(liabilities)	**5,318**	**4,957**	**(4,666)**	**16,601**	
Net assets/(liabilities) attributable to NCI	**2,606**	**2,429**	**(1,246)**	**4,432**	**8,221**
Cash flows from/(used in) operating activities	**913**	**872**	**(748)**	**(201)**	
Cash flows from investing activities	**–**	**–**	**1**	**–**	
Cash flows (used in)/from financing activities	**(525)**	**(538)**	**905**	**202**	
Net increase/(decrease) in cash and cash equivalents	**388**	**334**	**158**	**1**	

NOTES TO FINANCIAL STATEMENTS

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16 NON-CONTROLLING INTERESTS (Continued)

	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%	
2021					
Revenue	938	885	845	–	
Profit/(Loss) for the year	177	139	(1,118)	(209)	
Other comprehensive loss	–	–	–	(240)	
Total comprehensive income/(loss)	177	139	(1,118)	(449)	
Attributable to NCI:					
– Profit/(Loss) for the year	87	68	(298)	(56)	(199)
– Total comprehensive income/(loss)	87	68	(298)	(119)	(262)
Non-current assets	5,657	5,875	34,391	19,344	
Current assets	773	650	1,610	1,274	
Non-current liabilities	(697)	(572)	(38,249)	(123)	
Current liabilities	(616)	(1,176)	(792)	(3,690)	
Net assets/(liabilities)	5,117	4,777	(3,040)	16,805	
Net assets/(liabilities) attributable to NCI	2,507	2,341	(811)	4,483	8,520
Cash flows from/(used in) operating activities	882	941	(275)	(212)	
Cash flows used in investing activities	–	(769)	(54)	–	
Cash flows (used in)/from financing activities	(650)	(550)	(78)	212	
Net increase/(decrease) in cash and cash equivalents	232	(378)	(407)	–	

17 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.

NOTES TO FINANCIAL STATEMENTS

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17 SHARE-BASED PAYMENT ARRANGEMENT (Continued)

ICP Performance Share Plan (Continued)

(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.

(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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

18 LOANS AND BORROWINGS

	Group		Company	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Secured bank loans:				
– Current	**15,569**	361	**–**	–
– Non-current	**2,867**	18,915	**–**	–
	18,436	19,276	**–**	–
Bridging loan:				
– Current	**1,260**	735	**1,260**	735
– Non-current	**3,110**	4,265	**3,110**	4,265
	4,370	5,000	**4,370**	5,000
Current	**16,829**	1,096	**1,260**	735
Non-current	**5,977**	23,180	**3,110**	4,265
	22,806	24,276	**4,370**	5,000

The Group has a secured bank loan and a bridging bank loan with a carrying amount of S$18,436,000 (2021: S$19,276,000) and S$4,370,000 (2021: S$5,000,000) respectively as at 30 June 2022. 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$30,211,000 (2021: S$31,283,000) (Note 6).

During the year ended 30 June 2022, one of the bank financial covenant requirements, which requires the subsidiary to maintain a debt service coverage ratio of minimum 1.2 times, was breached. Due to the long drawn COVID-19 situation that is still evolving, the recovery of the hotel property income was slowed down, resulting in a lower profit before interest, tax, depreciation and amortisation for the financial year.

On 14 June 2022, the subsidiary obtained a waiver letter from the bank to grant an indulgence for non-compliance for the financial year ended 30 June 2022.

A portion of the secured bank loan amounting to S$14,985,000 is due in February 2023, hence it has been classified as a current liability as at June 30, 2022 in accordance with SFRS(I) 1-1 Presentation of Financial Statements. This resulted in the Group being in a net current liability position.

On 30 September 2022, management has obtained approval from bank for the refinancing of the secured bank loan. Based on the terms of the refinancing, the loan amount of RM 52,000,000 (S$16,420,000) is expected to take effect from February 2023 and loan tenure will be 30 months from the same date. The DSCR has also been re-negotiated with the bank and has decreased from 1.2 times to 1.0 times.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

18 LOANS AND BORROWINGS (Continued)

Terms loans and bridging loan repayment schedule

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

	Currency	Nominal interest rate %	Year of Maturity	Carrying amount S$'000
Group				
2022				
Floating rate term loans	**MYR**	**2.25% over the Bank's prevailing 1 month's effective cost of funds**	**2023**	**18,436**
Fixed rate term loans	**SGD**	**2.45% per annum**	**2025**	**4,370**
				22,806
2021				
Floating rate term loans	MYR	2.25% over the Bank's prevailing 1 month's effective cost of funds	2023	19,276
Fixed rate term loans	SGD	2.45% per annum	2025	5,000
				24,276

The term loans are secured over:

(i) First legal charge over the Group's hotel property and freehold land with carrying amount of S$30,211,000 (2021: S$31,283,000) (Note 6);

(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$488,000 (2021: S$497,000) (Note 13).

The bridging loan is secured over a corporate guarantee by a subsidiary of the Company.

Information about the Group and Company's exposure to interest rate, currency and liquidity risks is disclosed in Note 5.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

18 LOANS AND BORROWINGS (Continued)

Reconciliation of liabilities arising from financing activities

	Liabilities			
	Loans and borrowings S$'000	Amounts due to non-controlling interests (non-trade) S$'000	Lease liabilities S$'000	Total S$'000
Balance as at 1 July 2020	19,266	7,545	312	27,123
Changes from financing cash flows				
Non-cash changes[a]	–	(4,605)	20	(4,585)
Repayment of amounts due to non-controlling interests	–	(988)	–	(988)
Proceed from loan and borrowings	5,000	–	–	5,000
Repayment of lease liabilities	–	–	(193)	(193)
Effect of exchange rate	10	–	–	10
Total changes from financing cash flows	5,010	(5,593)	(173)	(756)
Balance as at 30 June 2021	24,276	1,952	139	26,367
Changes from financing cash flows				
New leases	–	–	191	191
Non-cash changes	–	–	6	6
Repayment of amounts due to non-controlling interests, net	–	(371)	–	(371)
Repayment of loan and borrowings	(1,000)	–	–	(1,000)
Repayment of lease liabilities	–	–	(193)	(193)
Effect of exchange rate	(470)	–	–	(470)
Total changes from financing cash flows	(1,470)	(371)	4	(1,837)
Balance as at 30 June 2022	**22,806**	**1,581**	**143**	**24,530**

(a) This includes MHI MY1 Pte Ltd's capitalisation of amounts due to non controlling interests amounting to S$4,605,000 during the prior year.

19 AMOUNTS DUE TO NON-CONTROLLING INTERESTS

	Group		Company	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
– Current[a]	**1,312**	1,152	**–**	–
– Non-current[b]	**269**	800	**–**	–
	1,581	1,952	**–**	–

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

(b) The amounts are non-trade related, unsecured, non-interest bearing, and repayable on demand. The amounts have been classified as non-current liabilities as the Group does not expect for repayment within 12 months after the reporting date.

As at 30 June 2022, the amounts due to non-controlling interests of S$912,000 (2021: S$752,000) relate to amounts due to shareholders/director of the Company.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

20 DEFERRED TAX LIABILITY

Movement in deferred tax balances

	At 1 July 2020 S$'000	Recognised in profit or loss (Note 26) S$'000	Effect of movement in exchange rate S$'000	At 30 June 2021 S$'000	Recognised in profit or loss (Note 26) S$'000	Effect of movement in exchange rate S$'000	At 30 June 2022 S$'000
Property, plant and equipment	1,192	78	(1)	1,269	7	–	**1,276**

21 TRADE AND OTHER PAYABLES

	Group		Company	
	2022 S$'000	2021 S$'000	2022 S$'000	2021 S$'000
Trade payables	**406**	487	**114**	114
Accrued operating expenses	**651**	702	**219**	229
Dividend payable	**564**	564	**564**	564
Non-trade amount due to subsidiaries (Note 31)	**–**	–	**1,538**	700
Grant deferred income	**16**	15	**–**	–
	1,637	1,768	**2,435**	1,607

The average credit period taken for trade payables is 30 days. The carrying values of other payables approximated their fair values at balance sheet date as these amounts are payable within the next 12 months.

The Group and the Company's exposure to currency and liquidity risks related to trade and other payables is disclosed in Note 5.

22 LEASE LIABILITIES (GROUP AS A LESSEE)

Lease liabilities (Disclosure required by SFRS(I) 16)

	2022 S$'000	2021 S$'000
Group		
Year 1	**144**	144
Less: Unearned interest	**(1)**	(5)
	143	139
Analysed as:		
– Current	**143**	139

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

23 REVENUE

	Group	
	2022	**2021**
	S$'000	**S$'000**
SFRS(I) 15 *Revenue from Contracts with Customers*		
Sales of beverages	**104**	27
Hotel fees income	**2,371**	1,544
Hotel property income	**690**	845
	3,165	2,416
Other Income		
Charter income	**1,896**	1,822
Rental income	**60**	132
	1,956	1,954
Total revenue	**5,121**	4,370

Sale of beverages

Nature	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 and other services in relation to hotel opening and operations
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 FINANCIAL STATEMENTS

30 June 2022

24 FINANCE INCOME AND FINANCE COSTS

	Group	
	2022	**2021**
	S$'000	**S$'000**
Interest income on bank deposits	**14**	15
Finance income	**14**	15
Interest expense on financial liabilities measured at amortised cost	**(891)**	(905)
Finance costs	**(891)**	(905)
Net finance costs	**(877)**	(890)

25 LOSS BEFORE TAX

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

	Group	
	2022	**2021**
	S$'000	**S$'000**
Audit fees paid and payable to:		
– auditors of the Company	**124**	110
Cost of inventories recognised to profit or loss in the year	**70**	15
Depreciation of property, plant and equipment	**1,987**	2,038
Depreciation of right-of-use assets	**176**	172
Amortisation of intangible assets	**8**	14
Net loss arising on financial assets mandatorily measured at FVTPL	**103**	–
Doubtful debts written off on trade receivables	**92**	–
Loss allowances on trade receivables	**209**	–
Loss allowance on amount due from an associate	**76**	–
Foreign exchange loss	**178**	–
Employee benefits expense		
Salaries, bonuses and other costs		
– included in cost of sales	**63**	73
– included in administrative expenses[(i)(ii)]	**1,376**	762
Contributions to defined contribution plans	**103**	92
	1,542	927

(i) In 2021, the Group received rental rebate of S$33,716 relating to the property tax rebate from the Government which was mandated to be fully passed on by the landlord to the company as a tenant. The Group recognised the amount as government grant income in profit or loss and the receivable for rental rebate has been offset against the lease liability.

(ii) In 2021, the Group received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. The Group assessed that there is reasonable assurance that it will comply with the conditions attached to the grants and the grants will be received. Grant income is recognised in profit or loss on a systematic basis over the period of uncertainty in which the related salary costs for which the grant is intended to compensate is recognised as expenses. Government grant income S$440,953 was recognised in 2021.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

26 TAX EXPENSES

Tax recognised in profit or loss

	Note	Group 2022 S$'000	Group 2021 S$'000
Current tax expense			
Current year		**68**	79
Over provision of income tax expense in respect of prior years		**–**	(1)
		68	78
Deferred tax expense			
Origination and reversal of temporary differences	20	**7**	–
Total tax expense		**75**	78

Reconciliation of effective tax rate

Loss before tax	**(1,344)**	(1,041)
Tax using the Singapore tax rate of 17%	**(228)**	(177)
Effect of different tax rates in different countries	**(87)**	(97)
Change in unrecognised temporary differences	**333**	334
Non-deductible expenses	**269**	202
Utilisation of unrecognised deferred tax assets	**(212)**	(183)
Over provision of income tax expense in respect of prior years	**–**	(1)
	75	78

The following temporary differences have not been recognised:

	Group 2022 S$'000	Group 2021 S$'000
Deductible temporary differences	**1,982**	2,591
Unutilised capital allowances	**1,547**	1,252
Unutilised tax losses	**28,391**	29,386
	31,920	33,229

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 FINANCIAL STATEMENTS

30 June 2022

27 LOSS PER SHARE

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

	Group	
	2022	**2021**
	S$'000	**S$'000**
Loss for the year attributable to owners of the Company	**(1,230)**	(920)
	No. of shares 2022 '000	**No. of shares 2021 '000**
Issued ordinary shares at beginning and end of the financial year	**3,111,689**	3,111,689
Weighted average number of ordinary shares	**3,111,689**	3,111,689
Basic and diluted loss per share (cents)	**(0.04)**	(0.03)

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 2022 and 2021.

28 SEGMENT INFORMATION

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) Hospitality – Hotel management, franchise and investment

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

(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.

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.

NOTES TO FINANCIAL STATEMENTS

30 June 2022

28 SEGMENT INFORMATION (Continued)

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

	Hospitality S$'000	Vessels chartering S$'000	Investment holding S$'000	Inter-segment adjustments S$'000	Total S$'000
30 June 2022					
Segment revenue					
Revenue from external customers	**3,225**	**1,896**	**–**	**–**	**5,121**
Inter-segment revenue	**158**	**–**	**19**	**(177)**	**–**
Total revenue	**3,383**	**1,896**	**19**	**(177)**	**5,121**
Finance income	**8**	**–**	**6**	**–**	**14**
Finance costs	**(773)**	**–**	**(118)**	**–**	**(891)**
Share of results of equity-accounted investees, net of tax	**2**	**–**	**–**	**–**	**2**
Tax expenses	**–**	**(75)**	**–**	**–**	**(75)**
Reportable segment (loss)/profit for the year	**(196)**	**374**	**(1,615)**	**18**	**(1,419)**
Other material items:					
Depreciation and amortisation charges for the year	**811**	**1,358**	**2**	**–**	**2,171**
Reportable segment assets	**48,105**	**13,490**	**39,003**	**(40,024)**	**60,574**
Reportable segment liabilities	**45,189**	**6,384**	**13,156**	**(37,218)**	**27,511**
Other segment information:					
Capital expenditure	**680**	**–**	**–**	**–**	**680**

NOTES TO FINANCIAL STATEMENTS

30 June 2022

28 SEGMENT INFORMATION (Continued)

Information about reportable segments (Continued)

	Hospitality S$'000	Vessels chartering S$'000	Investment holding S$'000	Inter-segment adjustments S$'000	Total S$'000
30 June 2021					
Segment revenue					
Revenue from external customers	2,548	1,822	–	–	4,370
Inter-segment revenue	112	–	–	(112)	–
Total revenue	2,660	1,822	–	(112)	4,370
Finance income	14	–	1	–	15
Finance costs	(844)	–	(61)	–	(905)
Share of results of equity-accounted investees, net of tax	20	–	–	–	20
Tax expenses	1	(79)	–	–	(78)
Reportable segment (loss)/profit for the year	(314)	311	(1,134)	18	(1,119)
Other material items:					
Depreciation and amortisation charges for the year	908	1,332	2	(18)	2,224
Reportable segment assets	47,903	14,121	40,415	(38,115)	64,324
Reportable segment liabilities	44,343	7,389	12,952	(35,280)	29,404
Other segment information:					
Capital expenditure	332	769	4	–	1,104

NOTES TO FINANCIAL STATEMENTS

30 June 2022

28 SEGMENT INFORMATION (Continued)

Geographical information

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

	Group	
	2022	**2021**
	S$'000	**S$'000**
Segment revenue		
Singapore	**2,938**	2,655
Malaysia	**877**	1,034
Korea	**624**	495
Japan	**450**	–
Hong Kong	**125**	129
Others	**107**	57
	5,121	4,370
Segment non-current assets		
Singapore	**19,634**	20,626
Malaysia	**32,336**	33,706
	51,970	54,332

Information about major customers

Revenue from a related party in the vessels chartering segment accounts for approximately S$1,896,000 (2021: S$1,822,000) or 37% (2021: 42%) of the Group's total revenues.

29 OPERATING LEASE ARRANGEMENTS

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 follow:

	Group	
	2022	**2021**
	S$'000	**S$'000**
Within 1 year	**948**	948

30 COMMITMENTS

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

	Group	
	2022	**2021**
	S$'000	**S$'000**
Investment in unquoted fund investment committed but not yet called up	**1**	1

NOTES TO FINANCIAL STATEMENTS

30 June 2022

31 RELATED COMPANIES AND OTHER PARTIES TRANSACTIONS

Related companies

Related companies in these financial statements refer to members of the Company's group of companies.

Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Related parties

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

There are no significant transactions between the Group and related parties, other than those disclosed in the financial statements and the accompanying notes.

Compensation of directors and key management personnel

Key management personnel compensation comprises:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Short-term employment benefits	**538**	511	**289**	171
Directors' fees	**85**	74	**85**	74
Post-employment benefits	**43**	38	**29**	20
	666	623	**403**	265

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	
	2022	**2021**	**2022**	**2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Non-controlling interests				
Vessels chartering income	**1,896**	1,822	**–**	–
Administrative fee charged by a corporate shareholder	**39**	39	**–**	–
Related corporations				
Hotel fees income from associate	**118**	122	**–**	–

NOTES TO FINANCIAL STATEMENTS

30 June 2022

32 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I)s pronouncements relevant to the Group and Company were issued but not effective:

Effective for annual periods beginning on or after 1 January 2022

Amendments to SFRS(I) 3 *Reference to Conceptual Framework*
Amendments to SFRS(I) 1-16 *Property, Plant and Equipment – Proceeds before Intended Use*
Amendments to SFRS(I) 1-37 *Provisions – Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to SFRS(I)s 2018-2020 – SFRS(I) 9 *Financial Instruments*

Effective for annual periods beginning on or after 1 January 2023

Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current and Non-Current*
Amendments to SFRS(I) 1-1 and SFRS(I) *Practice Statement 2 Disclosure of Accounting Policies*
Amendments to SFRS(I) 1-8 *Definition of Accounting Estimates*
Amendments to SFRS(I) 1-12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

33 IMPACT OF COVID-19 ON THE GROUP'S OPERATIONS

As COVID-19 vaccination rates increased in many countries globally, the gradual easing of travel restrictions has accordingly contributed to the progressive recovery in international and domestic travel. In the countries where the Group's Travelodge hotels are located, restrictions on inbound travel and social distancing measures have substantially been eased or lifted entirely.

However, with China still maintaining its quarantine requirements for returning travellers, the performance of the hospitality industry in Asia, for which Chinese travellers are a significant contributor, has not yet returned to the levels seen prior to the onset of Covid. Apart from China's opening up, the rate of recovery of the hospitality industry is also contingent on any subsequent mutations of the COVID-19 virus being manageable to the extent that lockdowns and travel restrictions will no longer be necessary.

The Group has considered the challenges arising from the outbreak and assessed the impact of COVID-19 on its operations, and anticipated that adequate funds are available for its operating requirements and meeting debt obligations in the next 12 months from the date of this financial statements as disclosed in Note 2.2 to the financial statements.

34 SUBSEQUENT EVENT

On 21 September 2022, the Group entered into definitive agreements to acquire 5% effective interest in the trust beneficiary interest in 2 hotel properties in Sapporo and Nagoya, Japan amounting to JPY 209,500,000 (S$2,060,000). The proposed acquisition was completed on 30 September 2022.

On 30 September 2022, the Group has obtained refinancing bank loan facility with sum of RM 52,000,000 (S$16,420,000). The secured bank loan has a tenure of 30 months from the date of drawdown and the Group has an option to extend for another 30 months at the bank's absolute discretion. Upon refinancing, the loan will be reclassified to non-current liability.

ICP LTD

(Company Registration No. 196200234E)

Condensed Interim Consolidated Financial Statements
For the Six Months Ended 31 December 2022

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ICP LTD (Co. No. 196200234E)

A. Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Six Months Ended 31 December 2022

		Group		
	Note	**Unaudited**	**Unaudited**	
		6 Months Ended 31/12/2022 S$'000	**6 Months Ended 31/12/2021 S$'000**	**Change %**
Revenue	**4**	4,810	2,563	87.7.
Cost of sales		(742)	(820)	(9.5)
Gross profit		**4,068**	**1,743**	**N.M.**
Other income		26	57	(54.4)
Administrative expenses		(2,224)	(1,665)	33.6
Results from operating activities		**1,870**	**135**	**N.M.**
Finance income		21	7	N.M.
Finance costs		(482)	(451)	6.9
Net finance costs		**(461)**	**(444)**	**3.8**
Other losses		(276)	(47)	N.M.
Share of results of equity-accounted investees, net of tax		(12)	3	N.M.
Profit / (loss) before tax	**5**	**1,121**	**(353)**	**N.M.**
Tax expenses		-	-	-
Profit / (loss) for the year		**1,121**	**(353)**	**N.M.**
Profit for the year attributable to:				
Owners of the Company		1,143	(305)	N.M.
Non-controlling interests		(22)	(48)	(54.2)
Profit / (loss) for the year		1,121	(353)	N.M.
Other comprehensive loss:				
Foreign currency translation differences		(577)	(14)	N.M.
Other comprehensive loss, net of tax		**(577)**	**(14)**	**N.M.**
Total comprehensive income / (loss) for the year		**544**	**(367)**	**N.M.**
Total comprehensive income / (loss) for the year attributable to:				
Owners of the Company		704	(320)	N.M.
Non-controlling interests		(160)	(47)	N.M.
		544	**(367)**	**N.M.**

N.M. – Not Meaningful

B. Condensed Interim Statements of Financial Position as at 31 December 2022

		Group		Company	
		Unaudited	Audited	Unaudited	Audited
	Note	31/12/2022 S$'000	30/06/2022 S$'000	31/12/2022 S$'000	30/06/2022 S$'000
Non-current assets					
Property, plant and equipment	**8**	40,877	42,529	2	3
Intangible assets	**9**	7,262	7,219	-	-
Investment in subsidiaries		-	-	8,300	8,300
Associate and joint venture		2,071	20	-	-
Other investments		380	380	380	380
Other receivables		1,159	1,679	18,322	18,323
Right-of-use assets		48	143	-	-
		51,797	**51,970**	**27,004**	**27,006**
Current assets					
Trade and other receivables		1,818	1,721	10,137	8,069
Inventories		6	6	-	-
Cash and cash equivalents		5,736	6,877	2,326	3,623
		7,560	**8,604**	**12,463**	**11,692**
Total assets		**59,357**	**60,574**	**39,467**	**38,698**
Non-current liabilities					
Loans and borrowings	**11**	18,295	5,977	2,480	3,110
Amount due to non-controlling interests		-	269	-	-
Deferred tax liability		1,276	1,276	-	-
		19,571	**7,522**	**2,480**	**3,110**
Current liabilities					
Loans and borrowings	**11**	2,806	16,829	1,260	1,260
Amount due to non-controlling interests		1,312	1,312	-	-
Trade and other payables		1,979	1,637	4,490	2,435
Lease liabilities		48	143	-	-
Income tax payable		34	68		
		6,179	**19,989**	**5,750**	**3,695**
Total liabilities		**25,750**	**27,511**	**8,230**	**6,805**
Net assets		**33,607**	**33,063**	**31,237**	**31,893**
Equity					
Share capital	**10**	34,626	34,626	34,626	34,626
Reserves		(9,080)	(9,784)	(3,389)	(2,733)
Equity attributable to equity holders of the Company		**25,546**	**24,842**	**31,237**	**31,893**
Non-controlling interests		8,061	8,221	-	-
Total equity		**33,607**	**33,063**	**31,237**	**31,893**

C. Consolidated Statement of Cash Flows for the Half Year Ended 31 December 2022

	Period from 01/07/22 to 31/12/22 S$'000	Period from 01/07/21 to 31/12/21 S$'000
Cash flows from operating activities		
Profit / (loss) before tax	1,121	(353)
Adjustments for:-		
Depreciation of property, plant and equipment	819	996
Depreciation of Right-of-use assets	95	85
Amortisation of intangible assets	-	7
Interest expenses	482	451
Interest income	(21)	(7)
Share of results of equity-accounted investees, net of tax	12	(3)
Unrealised foreign exchange loss	101	47
Loss allowance on trade receivables	148	-
Loss allowance on amount due from an associate	172	-
Operating cash flows before working capital changes	**2,929**	**1,223**
Change in working capital: -		
Inventories	-	69
Trade and other receivables	(222)	(231)
Trade and other payables	280	(166)
Cash generated from operations	**2,987**	**895**
Interest paid	(481)	(447)
Income tax paid	(34)	-
Net cash from operating activities	**2,472**	**448**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(382)	(3)
Acquisition of intangible assets	(43)	(375)
Investment in an associate	(2,066)	-
Interest received	21	7
Non-trade amount due from an associate	306	(68)
Return of capital from unquoted fund investments, net	-	155
Net cash used in investing activities	**(2,164)**	**(284)**
Cash flows from financing activities		
Repayment of loans and borrowings	(1,028)	-
Repayment to non-controlling interests	(269)	(531)
Repayment of lease liabilities	(96)	(96)
Net cash used in financing activities	**(1,393)**	**(627)**
Net decrease in cash and cash equivalents	**(1,085)**	**(463)**
Cash and cash equivalents at beginning of the financial year	6,389	7,772
Effect of exchange rate fluctuations on cash held	(38)	(47)
Cash and cash equivalents at end of the period	**5,266**	**7,262**
Represented by:		
Cash and cash equivalents at end of the period		
Fixed deposits	470	497
Cash and bank balances	5,266	7,262
	5,736	**7,759**
Less: Fixed deposits with tenor of more than 3 months placed with financial institutions	(470)	(497)
	5,266	**7,262**

D. Consolidated Statement of Changes in Equity

The Group - For the Half Year Ended 31 December 2022

Group	Share Capital	Foreign Currency Translation Reserve	Other Reserve	Accumulated Losses	Total attributable to the equity holders of the Company	Non-controlling Interests	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 July 2022	34,626	(721)	(1,338)	(7,725)	24,842	8,221	33,063
Profit for the year	-	-	-	1,143	1,143	(22)	1,121
Other comprehensive loss for the year	-	(439)	-	-	(439)	(138)	(577)
Total comprehensive income for the year	-	(439)	-	1,143	704	(160)	544
Balance as at 31 December 2022	**34,626**	**(1,160)**	**(1,338)**	**(6,582)**	**25,546**	**8,061**	**33,607**

The Group - For the Half Year Ended 31 December 2021

Group	Share Capital	Foreign Currency Translation Reserve	Other Reserve	Accumulated Losses	Total attributable to the equity holders of the Company	Non-controlling Interests	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance as at 1 July 2021	34,626	(393)	(1,338)	(6,495)	26,400	8,520	34,920
Loss for the year	-	-	-	(305)	(305)	(48)	(353)
Other comprehensive loss for the year	-	(15)	-	-	(15)	1	(14)
Total comprehensive loss for the year	-	(15)	-	(305)	(320)	(47)	(367)
Balance as at 31 December 2021	**34,626**	**(408)**	**(1,338)**	**(6,800)**	**26,080**	**8,473**	**34,553**

The Company – For the Half Year Ended 31 December 2022

Company	Share Capital	Accumulated Losses	Total
	S$'000	S$'000	S$'000
Balance as at 1 July 2022	34,626	(2,733)	31,893
Loss for the year	-	(656)	(656)
Total comprehensive loss for the year	-	(656)	(656)
Balance as at 31 December 2022	**34,626**	**(3,389)**	**31,237**

The Company – For the Half Year Ended 31 December 2021

Company	Share Capital	Accumulated Losses	Total
	S$'000	S$'000	S$'000
Balance as at 1 July 2021	34,626	(1,127)	33,499
Loss for the year	-	(745)	(745)
Total comprehensive loss for the year	-	(745)	(745)
Balance as at 31 December 2021	**34,626**	**(1,872)**	**32,754**

E. Notes to the Financial Statements

1. Corporate Information

ICP Ltd (the “Company”) (Registration Number 196200234E) is incorporated in the Republic of Singapore with its principal place of business and registered office at 10 Anson Road, #28-16 International Plaza, Singapore 079903. The Company is listed on Catalist of Singapore Exchange. The financial statements are expressed in Singapore dollars.

These condensed interim consolidated financial statements as at and for the six months ended 31 December 2022 (“1H2023”) comprised the Company and its subsidiaries (collectively, the "Group").

The principal activity of the Company and its subsidiaries are that of investment holding, provision of hotel management services, hotel investment and chartering of vessels.

2. Basis of Preparation

The condensed interim financial statements of the Group have been prepared in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last audited financial statements for the financial year ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar (SGD or S$) and all values in the tables are rounded to the nearest thousand (S’000) except when otherwise indicated.

2.1 New and amended standards adopted by the Group

The condensed interim financial statements have been prepared based on accounting policies and methods of computation consistent with those adopted in the most recent audited financial statements of the Group for the financial year ended 30 June 2022. A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of estimates and judgements

The preparation of the condensed interim 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.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the most recent audited financial statements as at and for the year ended 30 June 2022.

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.

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment information

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) Hospitality - Hotel management, franchise and investment

(b) Vessels chartering - Chartering of vessels (oil tankers)

(c) Investment holding – Investment and management activities

Performance is measured based on segment profit or loss, as included in the internal management reports that are reviewed by the Executive Director of the respective strategic business units. Segment profit or loss is used to measure performance as the Executive Director 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.

4.1 Reportable segments

Six months ended 31 December 2022	Hospitality[(i)]	Vessels chartering[(ii)]	Investment holding	Inter-segment adjustments	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Segment revenue					
Revenue from external customers	3,960	849	-	-	4,809
Inter-segment revenue	73	-	-	(73)	-
Total revenue	4,033	849	-	(73)	4,809
Finance income	8	-	13	-	21
Finance costs	(433)	-	(49)	-	(482)
Share of results of equity-accounted investees, net of tax	(12)	-	-	-	(12)
Other losses	(235)	(2)	(39)	-	(276)
Reportable segment profit / (loss) for the year	**1,514**	**256**	**(658)**	**9**	**1,121**
Other material items:					
Depreciation and amortisation charges for the year	373	540	1	-	914
Other segment information:					
Capital expenditure	43	-	-	-	43
As at 31 December 2022					
Reportable segment assets	50,236	13,373	39,773	(44,025)	59,357
Reportable segment liabilities	46,392	6,011	14,583	(41,236)	25,750

4.1 Reportable segments (continued)

	Hospitality[(i)]	Vessels chartering[(ii)]	Investment holding	Inter-segment adjustments	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
Six months ended 31 December 2021					
Segment revenue					
Revenue from external customers	1,615	948	-	-	2,563
Inter-segment revenue	76	-	-	(76)	-
Total revenue	1,691	948	-	(76)	2,562
Finance income	4	-	3	-	7
Finance costs	(390)	-	(61)	-	(451)
Share of results of equity-accounted investees, net of tax	3	-	-	-	3
Reportable segment profit / (loss) for the year	**164**	**221**	**(747)**	**9**	**(353)**
Other material items:					
Depreciation and amortisation charges for the year	417	679	1	(9)	1,088
As at 31 December 2021					
Reportable segment assets	47,903	14,121	40,415	(38,115)	64,324
Reportable segment liabilities	44,343	7,389	12,952	(35,280)	29,404

Note:

(i) Compared to 1H2022, hospitality segment has improved its reportable profit from S$0.2 million to S$1.5m in 1H2023. The segment revenue increased from S$1.7 million in 1H2022 to S$4.0 million in 1H2023, contributed by fees from the hotel management company and hotel property income from the Malaysia hotel.

(ii) The profit for vessel chartering segment has increased by S$0.1 million as a result of reduced amortisation cost of vessels dry-docking.

4.2 Disaggregation of Revenue

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

	6 months ended	
	31 Dec 2022	31 Dec 2021
	S$'000	S$'000
Singapore	1,887	1,481
Japan	1,362	238
Malaysia	889	396
Korea	534	337
Hong Kong	52	63
Others	86	48
	4,810	2,563

5 Profit before tax

5.1 Significant items

Other than as disclosed elsewhere in the condensed interim financial statements, profit before tax of the Group has been arrived at after charging the following:

	6 months ended	
	31 Dec 2022	31 Dec 2021
	S$'000	S$'000
Depreciation of property, plant and equipment	819	996
Depreciation of right-of-use assets	95	85
Unrealised foreign exchange loss	101	47
Loss allowance on trade receivables	148	-
Loss allowance on amount due from an associate	122	-

5.2 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

	6 months ended	
	31 Dec 2022	31 Dec 2021
	S$'000	S$'000
Non-controlling interests		
Vessels chartering income	849	948
Administrative fee charged by a corporate shareholder	20	20
Related corporations		
Hotel fees income from associate	48	59

6 Earnings per share

Basic earnings per share is calculated by dividing the net profit (loss) for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period:

	6 months ended	
	31 Dec 2022	31 Dec 2021
Net profit / (loss) attributable to owners of the Company (S$'000)	1,143	(305)
Weighted average number of ordinary shares ('000)	3,111,689	3,111,689
Basic profit / (loss) per share (cents)	0.040	(0.010)

7 Net asset value per share

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Net asset value attributable to owners of the Company (S$'000)	25,546	26,080	31,237	32,754
Weighted average number of ordinary shares ('000)	3,111,689	3,111,689	3,111,689	3,111,689
Net asset value per share (cents)	0.82	0.84	1.00	1.05

There were no treasury shares at the end of each respective financial period.

8 Property, plant and equipment

During six months ended 31 December 2022, the Group acquired plant and equipment amounting to S$382,000 (31 December 2021: S$3,000). There was no disposal of assets during the six months ended 31 December 2022 and 31 December 2021.

9 Intangible assets

	Software	Goodwill	Trademark	Total
	S$'000	S$'000	S$'000	S$'000
Group				
Cost				
At 30 June 2022	287	1,167	6,052	7,506
Additions	-	-	43	43
At 31 December 2022	287	1,167	6,095	7,549
Accumulated amortisation				
At 30 June 2022	287	-	-	287
Amortisation	-	-	-	-
At 31 December 2022	287	-	-	287
Carrying amounts				
At 30 June 2022	7	1,167	5,384	6,558
At 31 December 2022	-	1,167	6,095	7,262

The key assumptions, estimates critical judgements made by management in the impairment assessment on intangible assets and the key source of estimation uncertainty were the same as those that applied to the most recent audited financial statements as at and for the year ended 30 June 2022.

10 Share capital

	Group and Company			
	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	Number of ordinary shares ('000)		S$'000	S$'000
Issued and fully paid ordinary shares, with no par value				
At the beginning and end of the financial period / year	3,111,689	3,111,689	34,626	34,626

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.

11 Loans and borrowings

	Group		Company	
	31 Dec 2022	30 Jun 2022	31 Dec 2022	30 Jun 2022
	S$'000	S$'000	S$'000	S$'000
Secured bank loans:				
- Current	1,546	15,569	-	-
- Non-current	15,815	2,867	-	-
	17,361	18,436	-	-
Bridging loan:				
- Current	1,260	1,260	1,260	1,260
- Non-current	2,480	3,110	2,480	3,110
	3,740	4,370	3,740	4,370
Current	2,806	16,829	1,260	1,260
Non-current	18,295	5,977	2,480	3,110
	21,101	22,806	3,740	4,370

The Group has a secured bank loan and a bridging bank loan with a carrying amount of S$17,361,000 (30 June 2022 : S$18,436,000) and S$3,740,000 (30 Jun 2022 : S$4,370,000) respectively as at 31 December 2022.

Details of any collaterals

The temporary bridging loan under Enterprise Singapore is interest-bearing with a tenure of 5 years. It is secured by an unconditional and irrevocable corporate guarantee from a subsidiary of the Company, Travelodge Hotels (Asia) Pte Ltd.

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$30,901,000 as at 31 December 2022 (30 Jun 2022 : S$30,211,000).

12 Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

F. Other Information required pursuant to Appendix 7C of the Catalist Rules

1. Review

The condensed consolidated statements of financial position of ICP Limited and its subsidiaries as at 31 December 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. A statement showing all sales, transfer, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

3. A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable.

4. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

a) Updates on the efforts taken to resolve each outstanding audit issue.

b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

5. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of Performance

The Group reported revenue of S$4.8 million in the six months ended 31 December 2022 ("1H2023"), an increase of S$2.2 million from the corresponding period ended 31 December 2021 ("1H2022"). The increase in revenue was primarily due to higher hotel management fees as a result of improved performance in existing hotels and opening of new hotels in Japan. Additionally, the Group's hotel property income increased as compared to 1H2022 due to better performance in Travelodge City Centre. The growth in revenue reflects the ongoing recovery of global travel as pandemic-related travel restrictions are lifted.

Despite the increase in revenue, cost of sales dropped by S$0.1 million from S$0.8 million in 1H2022 to S$0.7 million in 1H2023 due to lower vessel dry-docking amortisation costs. As a result, the Group's gross profit increased from S$1.7 million in 1H2022 to S$4.1 million in 1H2023.

Other income dropped from S$57,000 in 1H2022 to S$27,000 in 1H2023. Other income in 1H2022 consisted of grant incomes from Global Ready Talent program and Place-and-Train Programme (P-Max), which were non-recurring.

Administrative expenses comprised mainly of payroll, depreciation, professional fees and hotel operation expenses. As a result of resumption of hotel operations and expansion into new market, administrative expenses rose from S$1.7 million in 1H2022 to S$2.2 million in 1H2023, representing an increase of S$0.5 million.

The increase in finance income and finance costs was a result of rising interest rates.

Other losses in 1H2023 comprised of unrealised foreign exchange loss and loss allowance on amount due from an associate.

As a result of the above, the Group reported a net profit of S$1.1 million in 1H2023, as compared to a net loss of S$0.4 million in 1H2022.

Review on balance sheet

Non-current assets
The decrease in property, plant and equipment was due to depreciation charge of S$0.8 million and effect of foreign exchange movement of approximately S$1.2 million, partially offset by additions in vessel dry docking expenditure of S$0.4 million.

The increase in intangible assets related to costs incurred on trademark. Investment in associate increased by S$2.0 million due to acquisition of trust beneficiary interest in 2 hotel properties in Japan, which was completed in September 2022.

Other receivables decreased by S$0.5 million as a combined effect of $0.3 million receipt from the associate and $0.2 million loss allowance recognised.

Current assets
Trade and other receivables increased by S$0.1 million which was in line with the revenue increase. Cash and cash equivalents dropped from S$6.9 million to S$5.7 million. The decrease was mainly due to acquisition of the 2 hotel properties in Japan and repayment of loan and borrowings.

Non-current liabilities
Non-current loans and borrowings increased by S$12.3 million, resulting from the reclassification of a portion of the secured bank loan which had previously been classified as a current liability as at 30 June 2022 to non-current liability after securing refinancing. The subsidiary, GMT Charlie Pte. Ltd., repaid S$0.3 million to its non-controlling interests in 1H2023, resulting in a decrease of amount due to non-controlling interests.

Current liabilities
The decrease in current loans and borrowings were due to reclassification (as set out in the previous paragraph) and repayment of loans. Trade and other payables increased by S$0.3 million in line with the additions in vessel dry-docking expenditure.

Equity
Total equity attributable to equity holders of the company increased by S$1.1 million due to net profit of S$1.5 million and foreign exchange translation loss of S$0.4 million. The decrease in non-controlling interests $0.2 million was due to net loss attributable to non-controlling interests $0.1 million and foreign exchange translation loss of S$0.1 million.

Review of Cash Flows

The Group reported a net decrease in cash and cash equivalents of approximately S$1.1 million, arising from positive operating cash flows of S$2.5 million, offset by cash used in financing activities of S$1.4 million, and cash used in investing activities of S$2.2 million.

6. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

7. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

With the global re-opening of borders by countries further enhanced by the recent opening up of the People's Republic of China, the economic situation is expected to improve owing to the inflow of foreigners into China and the outflow of Chinese travellers to the rest of the world. This will augur well for travel-related businesses such as airlines, retail, casinos, hotels and other accommodation.

The Group will strategise for its mainstay hospitality business to try to ride on this rising momentum by enlarging its operating footprints in popular travellers' destinations such as Japan and Korea.

In this respect, the Group opened its first Travelodge hotel in Japan in October 2022, followed by a second and third in January and February 2023 respectively. One more hotel is scheduled to be opened in the coming months.

The Group also see visible increases in visitor arrivals in the other countries which it manages hotels and will be taking steps to harness the potential additional business.

These positive news are however set against a negative backdrop of high inflation, high interest rates and labour shortages in the hospitality industry. The higher financing costs arising from high interest rates, together with high inflation has resulted in increasing operating costs. This is exacerbated further by labour shortage in the hospitality business. The Group would thus be faced with increasing costs of operations and manpower problems. In order to mitigate these, it will have to try to streamline its operating systems including getting its employees to multi-task effectively.

Overall, the Group will adopt a balanced, cautionary approach in expanding its hospitality business in the near term.

8. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No.

(b) (i) Amount per share ..... cents

Not applicable.

(ii) Previous corresponding period ..... cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

9. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended in view of the fact that the Group will reserve the funds for expansion.

10. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

To date, the Group has not obtained a general mandate from shareholders of the Company for interested person transactions.

The aggregate values of all interested person transactions for the half year ended 31 December 2022 did not exceed S$100,000.

11. Disclosure on Acquisitions and Realisations of Shares pursuant to Rule 706A of the Catalist Rules

For the half year ended 31 December 2022, there were no acquisitions or realisations of shares resulting in a company becoming or ceasing to be a subsidiary or associated company of the Company, or resulting in the Company increasing or reducing its shareholding percentage in a subsidiary or associated company.

12. Confirmation by that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) pursuant to Rule 720(1) of the Catalist Rules

Pursuant to Rule 720(1) of the SGX Catalist Rules, the Company has procured undertakings from all its directors and executive officers.

13. Confirmation by the Board of Directors pursuant to Rule 705(5) of the Catalist Rules

Having considered, including but not limited to, the following:

- whether the financial statements provide a balanced and fair view of any material factors that have affected the Company's business conditions and financial position; and

- whether all material information has been assessed to ensure reliability of the financial statements,

the Board of Directors has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited half year financial results of the Group for the six-month period ended 31 December 2022 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Ong Min'er
Financial Controller

9 February 2023

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST").

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is:-
Name: Mr. Khong Choun Mun, Registered Professional, RHT Capital Pte. Ltd.
Address: 36 Robinson Road, #10-06, Singapore 068877
Email: sponsor@rhtgoc.com

ALTECH MARITIME CONSULTANTS PTE. LTD.

Marine Surveyors & Consultants

71, UBI CRESCENT #02-13 EXCALIBUR CENTRE SINGAPORE 408571
TEL: 6270 9381, 6270 9384, 6276 6627 FAX: 6270 9358 Email: amcspg@singnet.com.sg
REG. NO. 199708572-D

Ref: NCC
AMC V029(A)-07/2023

Date: 30th June 2023

"DESK TOP" VALUATION REPORT

M. T. "BAYAN"

THIS IS TO CERTIFY that the undersigned Marine Surveyors and Consultants

ALTECH MARITIME CONSULTANTS PTE.LTD.

did, on the 30th June 2023, at the request of **Messrs. ICP Ltd.,** carry out an evaluation to determine the probable fair value of the **Motor Tanker "BAYAN"** of **Singapore, 2756 Gross Tons,** from particulars, documentations and records of inspection of the vessel available in our file.

We report as follows:

The vessel is an all steel welded/constructed, Double Hull-Double Bottom, **Twin Screw Motor Tanker,** fitted with a single deck, raked stem with bulbous bow, transom stern, cargo oil tanks forward, accommodation/navigation and machinery spaces aft, built **2009/2010** by **Yangzhou Haichuan Shipyard, Yangzhou, China.**

Main propulsion machinery is by twin **WEICHAI, Mod. XCW6200ZC-2,** 6 cylinders, diesel engines, developing a total of **1656kw** and geared to drive twin single screw shafts, fitted with fixed pitch propellers, through **Hangzhou Advance Gearbox, Mod. GWC36.39,** ratio 3.974:1, reverse/reduction gearboxes.

The vessel is also fitted with a **Suzhou Marine, Mod. TT1100B/MSB-CP,** Bow Thruster rated at 4.70 tons thrust.

Principal Particulars

Length (O.A.)	--	89.00m
Length (Reg.)	--	81.83m
Breadth (Reg.)	--	14.80m
Depth (Reg.)	--	7.36m
Draft (Mld.)	--	5.59m
Port of Registry	--	Singapore
Official No.	--	394306
IMO No.	--	9532317
Call Sign	--	9V7668
Harbour Craft Licence	--	**SB 633D**
Gross Tonnage	--	2756
Net Tonnage	--	1050
Deadweight	--	3869.20 m/tons
Cargo Capacity	--	3805.324 cu.m.
Built	--	**2009** by **Yangzhou Haichuan Shipyard, China**
Registered Owners	--	**GMT Bravo Pte. Ltd., Singapore**

CERTIFICATION

International Load Line Certificate issued by Bureau Veritas under authority of the Singapore Government on 21.01.2020 valid until 27.01.2025.

Safety Construction Certificate issued by Bureau Veritas under authority of the Singapore Government on 21.01.2020 valid until 27.01.2025.

Safety Equipment Certificate issued by Bureau Veritas under authority of the Singapore Government on 21.01.2020 valid until 27.01.2025.

Safety Radio Certificate issued by the Director of Marine, Singapore, under authority of the Singapore Government 14.06.2022 valid until 29.06.2025.

IOPP Certificate issued by Bureau Veritas under authority of the Singapore Government on 21.01.2020 valid until 27.01.2025.

IAPP Certificate issued by Bureau Veritas under authority of the Singapore Government on 21.01.2020 valid until 27.01.2025.

ISPP Certificate issued by Bureau Veritas under authority of the Singapore Government on 21.01.2020 valid until 27.01.2025.

International Tonnage Certificate (1969) issued by Bureau Veritas under authority of the Singapore Government on 10.08.2009.

International Anti-Fouling System Certificate issued by Bureau Veritas under authority of the Singapore Government on 01.01.2015.

Safety Management Certificate issued by Bureau Veritas under authority of the Singapore Government on 03.11.2020 valid until 23.11.2025.

Harbour Craft Licence No. SB 0633D issued by the Maritime and Port Authority of Singapore on 11.01.2018 valid until 31.12.2999.

Certificate of Singapore Registry issued by the Registrar of Singapore Ships on 28.09.2010.

CLASSIFICATION

The vessel is classed under the Rules and Regulations of Bureau Veritas under the following classification symbols and notations:-

I ✠ HULL ✠ MACH
Oil Tanker ESP
Unrestricted navigation

Certificate of Classification No.SGP0/JGH/20200121194635 issued by Bureau Veritas on 21.01.2020 valid until 27.01.2025.

Cargo Tanks/Capacity

The vessel is and fitted with five (5) pairs of Cargo Oil tanks, numbered fore to aft with a pair of slop tanks fitted forward of No.1 C.O.T.

Cargo tank capacities are as follows:

Tank No.	Port	Starboard	Total Vol. (cu.m.)
No.1	230.669	230.772	461.441 cu.m.
No.2	396.919	395.871	792.790 cu.m.
No.3	492.851	494.271	987.122 cu.m.
No.4	414.767	415.657	830.424 cu.m.
No.5	305.861	305.923	611.784 cu.m.
Slop	61.915	60.848	121.763 cu.m.
Sub Total:	**1901.982**	**1903.342**	
Grand Total:			**3805.324 cu.m.**

All cargo oil tanks are reported to be coated to approx. 1.5m on the bottom and crown level.

Cargo tanks are fitted with heating coils for heating of cargo.

Hose Handling/Flow Boom Crane

The vessel is fitted with a one man operated, **Nantong Yuehai, 2.0 tons SWL,** at 14.0m outreach, hydraulic Hose Handling/Flow Boom crane.

Cargo Pumps

The vessel is fitted with two (2) sets screw type Main Cargo pumps and one (1) set of screw type stripping pump.

One (1) set **Taiko Kikai, CSL-750P,** Main Cargo pump rated **750 m³**/hour
One (1) set **Wenzhou** Main Cargo pump each rated **750 m³**/hour
One (1) set **Wenzhou** Stripping pump rated **300 m³**/hour

The Main Cargo and Stripping pumps are individually driven by electric motors through the engine room bulkhead.

Navigational Aids/Communication Equipment

Navigational Aids and Communication Equipment are fitted in accordance with statutory requirements as follows:

One x **Tokyo Keiki,** steering gear c/w Gyro Compass, repeaters and Auto-Pilot.

One x **Furuno,** X-Band radar
One x **Furuno,** S-Band radar
Two x **Furuno, GP-150, GPS** Navigator
One x **Furuno, NX-700,** Navtex receiver
One x **Jiaxing Kexun, VR-3016,** VDR
One x **Furuno, DS-80,** Doppler Speed Log
One x **Furuno, FE-700,** Echo Sounder
Two x **Furuno, VHF** radio telephone
One x **Jiaxing Kexun,** Public Addresser
One x **Furuno, FA-150,** AIS
One x **Furuno, FAX-408,** weather facsimile
One x **Raymarine, ST60+,** wind speed indicator
One x Combustible gas alarm
One x Fire Alarm panel
Two x Main Engine indicator console.
One x Bow Thruster console
One x **Jiaxing Kexun,** battery-less telephone
One x **Jiaxing Kexun,** automatic telephone
One x rudder indicator
Two sets engine throttle levers
Two sets Main engine telegraphs
One x **Furuno, IB-583,** terminal unit
One x **Furuno, Felcom-15,** Inmarsat C
Two x monitors c/w keyboards and printers.

Fire Fighting/L.S.A.

Fire fighting equipment for the deck is by means of water/foam monitors mounted at intervals on the centre catwalk and each side forward of the poop deck and also water hydrant system.

The accommodation is provided with hydrants and portable fire extinguishers and engine room a full flooding CO2 system.

Life Saving Appliances are provided in accordance with statutory requirements and includes a 25 person inflatable life-raft on each side of the Boat deck and a 6 person motorised rescue boat.

Main Engines

Two (2) units **WEICAI POWER, Mod. XCW6200ZC-2,** 6 cylinders, turbocharged, diesel engines, each developing **828kw at 1000rpm** and geared to drive twin screw shafts, fitted with fixed pitch propellers, through **Hangzhou Advance Gearbox, Mod. GWC36.39,** ratio 3.974:1, reverse/reduction gearboxes.

Generators

Three (3) units **WEICAI POWER, Mod. X6170ZC,** 6 cylinders, diesel engines, each developing **382kw x 1200rpm,** and directly coupled to drive **CSIC, A.C.,** alternator rated at **350kw x 495KVA x 440V x 3phase x 60Hz.**

One (1) unit **WEICAI-DEUTZ, Mod. TD226B-6CD,** 6 cylinders, diesel engine, developing **115.5kw x 1800rpm** directly coupled to **CSIC, A.C.** alternator rated **64kw x 440V x 3 phase x 60Hz** (Emergency generator)

Auxiliary Boiler

One (1) unit **Jiangyin Sanjie, Type: QXC-100L,** Thermal Oil boiler rated at **1200kw,** capacity **0.9m3** and design pressure evaporation of **0.7Mpa**.

VALUATION

The vessel has not been physically sighted at this time, however, assuming that there are no major damages which would have been sighted during such a survey, and with the understanding that all Classification and statutory certificates are valid and intact, we are of the opinion that the probable present fair value of the vessel would be within the region of **S$5,000,000.00 (Singapore Dollars: Five Million Only).**

DESK TOP VALUATION APPROACH

Without physically inspecting the vessel at this time, we have considered the following factors in determining the estimated current fair value of the vessel.

1) The vessel is equipped, classed and certified as a Category "A" Bunker Tanker, complete with Mass Flow Meter, in compliance with the requirements of the Maritime and Port of Singapore Authority for bunker quantity transfers to vessels within the Singapore Port Limits.

2) The design, type, size, equipment and machinery provided for her trade as a Category A Bunker Tanker.

3) The age of the vessel and her projected economical life-span.

4) The supply and demand of this type of vessel in the market.

5) Our valuation approach is based on the replacement cost methodology. We consider the estimated current new-building price of a similarly built vessel and adjust its value based on her corresponding age.

6) The estimated fair value refers to the price that would be paid on a "willing buyer willing seller" basis at the valuation date.

7) This valuation has been prepared in accordance with the standard of the International Valuation Standards Council.

VALUERS

Altech Maritime Consultants Pte. Ltd. and its directors and associates has 31 years of experience in the maritime industry and has been carrying out vessels' valuation for most of the major banks in Singapore.

Note:

This valuation represents the good faith opinion of the survey only and does not make any representations of fact, and is given based on our past experience and to the best of our knowledge and belief.

It was performed for appraisal only and no warranty of correctness of this survey as to the condition, value or marketability of the subject vessel is either expressed or implied.

Any party acting on this valuation should satisfy themselves by inspection of the vessel or otherwise as to the correctness of the particulars which this valuation contains.

The estimated value in our opinion is a fair value, however, in view of the current market situation no assurance can be given that this value can be sustained in an actual transaction.

The undersigned has no present or contemplated future interest in the afore-mentioned vessel and/or its equipment and compensation for services has been arranged for an independent fee basis sand is in no way contingent upon the value reported herein.

Report made, signed and submitted without prejudice to the rights and/or interests of whom it may concern.

FOR AND ON BEHALF OF
ALTECH MARITIME CONSULTANTS PTE LTD

Encls: Classification and Statutory trading certificates

ALTECH MARITIME CONSULTANTS PTE. LTD.

Marine Surveyors & Consultants

71, UBI CRESCENT #02-13 EXCALIBUR CENTRE SINGAPORE 408571
TEL: 6270 9381, 6270 9384, 6276 6627 FAX: 6270 9358 Email: amcspg@singnet.com.sg
REG. NO. 199708572-D

Ref: NCC
AMC V030(A)-07/2023

Date: 30th June 2023

"DESK TOP" VALUATION REPORT

M. T. "COMO"

THIS IS TO CERTIFY that the undersigned Marine Surveyors and Consultants

ALTECH MARITIME CONSULTANTS PTE.LTD.

did, on the 30th June 2023, at the request of **Messrs. ICP Ltd.,** carry out an evaluation to determine the probable fair value of the **Motor Tanker "COMO"** of **Singapore, 2756 Gross Tons,** from particulars, documentations and records of inspection of the vessel available in our file.

We report as follows:

The vessel is an all steel welded/constructed, Double Hull-Double Bottom, **Twin Screw Motor Tanker,** fitted with a single deck, raked stem with bulbous bow, transom stern, cargo oil tanks forward, accommodation/navigation and machinery spaces aft, built **2010** by **Yangzhou Haichuan Shipyard, Yangzhou, China.**

Main propulsion machinery is by twin **WEICHAI, Mod. XCW6200ZC-2,** 6 cylinders, diesel engines, developing a total of **1656kw** and geared to drive twin screw shafts, fitted with fixed pitch propellers, through **Hangzhou Advance Gearbox, Mod. GWC36.39,** ratio 3.974:1, reverse/reduction gearboxes.

The vessel is also fitted with a **Suzhou Marine, Mod. TT1100B/MSB-CP,** Bow Thruster rated at 4.70 tons thrust.

Principal Particulars

Length (O.A.)	--	89.00 metres
Length (Reg.)	--	81.83 metres
Breadth (Reg.)	--	14.80 metres
Depth (Reg.)	--	7.36 metres
Draft (Mld.)	--	5.60 metres
Port of Registry	--	Singapore
Official No.	--	394307
IMO No.	--	9532329
Call Sign	--	9V7669
Harbour Craft Licence	--	**SB 634B**
Gross Tonnage	--	2756
Net Tonnage	--	1050
Deadweight	--	3861.20 m/tons
Cargo Capacity	--	3794.795 cu.m. (100%)
Built	--	**2010** by **Yangzhou Haichuan Shipyard, China**
Registered Owners	--	**GMT Charlie Pte. Ltd., Singapore**

CERTIFICATION

International Load Line Certificate issued by Bureau Veritas under authority of the Singapore Government on 21.08.2020 valid until 11.08.2025.

Safety Construction Certificate issued by Bureau Veritas under authority of the Singapore Government on 21.08.2020 valid until 11.08.2025.

Safety Equipment Certificate issued by Bureau Veritas under authority of the Singapore Government on 21.08.2020 valid until 11.08.2025.

Safety Radio Certificate issued by the Director of Marine, Singapore, under authority of the Singapore Government 08.06.2021 valid until 16.06.2025.

IOPP Certificate issued by Bureau Veritas under authority of the Singapore Government on 21.08.2020 valid until 11.08.2025.

IAPP Certificate issued by Bureau Veritas under authority of the Singapore Government on 21.08.2020 valid until 11.08.2025.

ISPP Certificate issued by Bureau Veritas under authority of the Singapore Government on 21.08.2020 valid until 11.08.2025.

International Tonnage Certificate (1969) issued by Bureau Veritas under authority of the Singapore Government on 10.08.2009.

International Anti-Fouling System Certificate issued by Bureau Veritas under authority of the Singapore Government on 04.07.2015.

Safety Management Certificate issued by Bureau Veritas under authority of the Singapore Government on 25.01.2021 valid until 05.01.2026.

Harbour Craft Licence No. SB 0634B issued by the Maritime and Port Authority of Singapore on 04.08.2021 valid until 31.12.2999.

Certificate of Singapore Registry issued by the Registrar of Singapore Ships on 15.12.2010.

CLASSIFICATION

The vessel is classed under the Rules and Regulations of Bureau Veritas under the following classification symbols and notations:-

I ✠ HULL ✠ MACH
Oil Tanker ESP
Unrestricted navigation

Certificate of Classification No.SGP0/ABP/20200819134213 issued by Bureau Veritas on 21.08.2020 valid until 11.08.2025.

Cargo Tanks/Capacity

The vessel is and fitted with five (5) pairs of Cargo Oil tanks, numbered fore to aft with a pair of slop tanks fitted forward of No.1 C.O.T.

Cargo tank capacities are as follows:

Tank No.	Port	Starboard	Total Vol. (cu.m.)
No.1	227.896	230.954	458.850
No.2	396.926	397.718	794.644
No.3	492.363	492.113	984.476
No.4	413.823	412.853	826.676
No.5	304.071	303.487	607.558
Slop	61.095	61.496	122.591
Sub Total:	**1896.174**	**1898.621**	
Grand Total:			**3794.795 cu.m.**

All cargo oil tanks are coated to approximately 1.5m on the bottom and crown level.

Cargo tanks are fitted with heating coils for heating of cargo.

Hose Handling/Flow Boom Crane

The vessel is fitted with a one man operated, **Nantong Yuehai, 2.0 tons SWL,** at 14.0m outreach, hydraulic flow boom crane.

Cargo Pumps

The vessel is fitted with two (2) sets screw type Main Cargo pumps and one (1) set of screw type stripping pump.

One (1) set **Taiko Kiaki, CSL-750P,** Main Cargo pump rated **750 m³**/hour
One (1) set **Wenzhou** Main Cargo pump each rated **750 m³**/hour
One (1) set **Wenzhou** Stripping pump rated **300 m³**/hour

The main Cargo and Stripping pumps are individually driven by electric motors through the engine room bulkhead.

Navigational Aids/Communication Equipment

Navigational Aids and Communication Equipment are fitted in accordance with statutory requirements as follows:

One x **Tokyo Keiki,** steering gear c/w Gyro Compass, repeaters and Auto-Pilot.

One x **Furuno,** X-Band radar
One x **Furuno,** S-Band radar
Two x **Furuno, GP-150, GPS** Navigator
One x **Furuno, NX-700,** Navtex receiver
One x **Jiaxing Kexun, VR-3016,** VDR
One x **Furuno, DS-80,** Doppler Speed Log
One x **Furuno, FE-700,** Echo Sounder
One x **Furuno, VHF** radio telephone
One x **Jiaxing Kexun,** Public Addresser
One x **Furuno, FA-150,** AIS
One x **Furuno, FAX-408,** weather facsimile
One x **Raymarine, ST60+,** wind speed indicator
One x Combustible gas alarm
One x Fire Alarm panel
Two x Main Engine indicator console
One x Bow Thruster console
One x **Jiaxing Kexun,** battery-less telephone
One x **Jiaxing Kexun,** automatic telephone
One x rudder indicator
Two sets engine throttle levers
Two sets Main engine telegraphs
One x **Furuno, IB-583,** terminal unit
One x **Furuno, Felcom-15,** Inmarsat C
Two x monitors c/w keyboards and printers.

Fire Fighting/L.S.A.

Fire fighting equipment for the deck is by means of water/foam monitors mounted at intervals on the centre catwalk and each side forward of the poop deck and also water hydrant system.

The accommodation is provided with hydrants and portable fire extinguishers and engine room a full flooding CO2 system.

Life Saving Appliances are provided in accordance with statutory requirements and includes a 25 person inflatable life-raft on each side of the Boat deck and a 6 person motorised rescue boat.

Main Engines

Two (2) units **WEICAI POWER, Mod. XCW6200ZC-2,** 6 cylinders, turbocharged, diesel engines, each developing **828kw at 1000rpm** and geared to drive twin screw shafts, fitted with fixed pitch propellers, through **Hangzhou Advance Gearbox, Mod. GWC36.39,** ratio 3.974:1, reverse/reduction gearboxes.

Generators

Three (3) units **WEICAI POWER, Mod. X6170ZC,** 6 cylinders, diesel engines, each developing **382kw x 1200rpm,** and directly coupled to drive **CSIC, A.C.,** alternator rated at **350kw x 495KVA x 440V x 3phase x 60Hz.**

One (1) unit **WEICAI-DEUTZ, Mod. TD226B-6CD,** 6 cylinders, diesel engine, developing **115.5kw x 1800rpm** directly coupled to **CSIC, A.C.** alternator rated **64kw x 440V x 3 phase x 60Hz** (Emergency generator)

Auxiliary Boiler

One (1) unit **Jiangyin Sanjie, Type: QXC-100L,** Thermal Oil boiler rated at **1200kw,** capacity **0.9m3** and design pressure evaporation of **0.7Mpa**.

VALUATION

The vessel has not been physically sighted, however, assuming that there are no major damages which would have been sighted during such a survey, and with the understanding that all class and statutory certificates are valid and intact, we are of the opinion that the probable present fair value of the vessel would be within the region of **S$5,100,000.00 (Singapore Dollars: Five Million One Hundred Thousand Only).**

DESK TOP VALUATION APPROACH

Without physically inspecting the vessel at this time, we have considered the following factors in determining the estimated current fair value of the vessel.

1) The vessel is equipped, classed and certified as a Category "A" Bunker Tanker, complete with Mass Flow Meter, in compliance with the requirements of the Maritime and Port of Singapore Authority for bunker quantity transfers to vessels within the Singapore Port Limits.

2) The design, type, size, equipment and machinery provided for her trade as a Category A Bunker Tanker.

3) The age of the vessel and her projected economical life-span.

4) The supply and demand of this type of vessel in the market.

5) Our valuation approach is based on the replacement cost methodology. We consider the estimated current new-building price of a similarly built vessel and adjust its value based on her corresponding age.

6) The estimated fair value refers to the price that would be paid on a "willing buyer willing seller" basis at the valuation date.

7) This valuation has been prepared in accordance with the standard of the International Valuation Standards Council.

VALUERS

Altech Maritime Consultants Pte. Ltd. and its directors and associates has 31 years of experience in the maritime industry and has been carrying out vessels' valuation for most of the major banks in Singapore.

Note:

This valuation represents the good faith opinion of the survey only and does not make any representations of fact, and is given based on our past experience and to the best of our knowledge and belief.

It was performed for appraisal only and no warranty of correctness of this survey as to the condition, value or marketability of the subject vessel is either expressed or implied.

Any party acting on this valuation should satisfy themselves by inspection of the vessel or otherwise as to the correctness of the particulars which this valuation contains.

The estimated value in our opinion is a fair value, however, in view of the current market situation no assurance can be given that this value can be sustained in an actual transaction.

The undersigned has no present or contemplated future interest in the subject vessel and/or its equipment and compensation for services has been arranged for an independent fee basis and is in no way contingent upon the value given herein.

Report made, signed and submitted without prejudice to the rights and/or interests of whom it may concern.

FOR AND ON BEHALF OF
ALTECH MARITIME CONSULTANTS PTE LTD

Encls: Classification and Statutory trading certificates

Knight Frank

PRIVATE & CONFIDENTIAL

ICP Ltd
6 Temasek Boulevard
#23-01 Suntec Tower Four
Singapore 038986

Date:11 August 2023

Our Ref. No.: V/COR/23/0119/naa

Dear Sir / Madam,

VALUATION CERTIFICATE FOR TRAVELODGE CHINATOWN KUALA LUMPUR (FORMERLY KNOWN AS TRAVELODGE CITY CENTRE), NO. 7, JALAN HANG KASTURI, CITY CENTRE, 50050 KUALA LUMPUR
(HEREINAFTER REFERRED TO AS THE "SUBJECT PROPERTY")

We were instructed by ICP Ltd (hereinafter referred to as the "Client") to ascertain the Market Value of the legal interest in the Subject Property as at 30 June 2023 as the date of valuation, as instructed by the Client. This Valuation Certificate is prepared **for inclusion in the Circular for Shareholders of ICP Ltd pursuant to the submission to Singapore Exchange in relation to a corporate exercise.**

The Valuation was prepared in conformity with the Singapore Institute of Surveyors and Valuers (SISV) Practice Guidelines and the Malaysian Valuation Standards (MVS) published by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

This Valuation Certificate is prepared in accordance with the general principles adopted and limiting conditions as enclosed at the end of our formal Valuation Report. For all intents and purposes, this Valuation Certificate should be read in conjunction with our formal Valuation Report.

The basis of valuation adopted is the **Market Value** which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion" in accordance to the MVS published by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

Travelodge Chinatown Kuala Lumpur is valued on a going concern basis as a fully operational hotel and the valuation hereby given comprises the value attributed to the real estate, goodwill and the furniture, fittings and equipment used in the operation of the hotel business. We have not separately assessed the transferable value of the goodwill nor made an inventory or separately assessed the value of furniture, fittings and equipment. The valuation excludes the value of stock or credits for payment thereof and assumes all items are unencumbered unless stated to the contrary. Our valuation assumes the Subject Property is open for business and trades to date of sale and has the benefit of and conforms to all necessary permits, licenses, certificates and etc. unless stated to the contrary.

Accordingly, we have inspected the Subject Property on 27 June 2023, and we have specifically instructed by the Client to adopt **30 June 2023** as the material date of valuation. The inspection was conducted by Nor Ainura binti Ahmed Azhar from Knight Frank Malaysia with guidance from Ms Cherilla from Travelodge Chinatown Kuala Lumpur. Brief description of the Subject Property is as attached overleaf.

IDENTIFICATION OF PROPERTY

Interest Valued

Lot No. 20000 Section 31 held under Title No. Geran 75829, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

Type of Property

An operational 198-room hotel building along with ground floor commercial / retail space(s) and 22 basement car parking bays.

Name and Address

Travelodge Chinatown Kuala Lumpur (formerly known as Travelodge City Centre), No. 7, Jalan Hang Kasturi, City Centre, 50050 Kuala Lumpur.

Title Particulars

Title particulars are extracted from title search conducted at the Federal Territories Director of Lands and Mines Office for Wilayah Persekutuan Kuala Lumpur on 22 June 2023. The following table outlines the title particulars of the Subject Property: -

Summary of Title Particulars	
Lot	Lot 20000 Section 31.
Title No.	Geran 75829.
Mukim / District / State	Town of Kuala Lumpur / District of Kuala Lumpur / Wilayah Persekutuan Kuala Lumpur.
Surveyed Land Area	1,082 square metres.
Tenure	Interest in perpetuity.
Quit Rent (Land Tax)	RM4,978.00 per annum.
Registered Proprietor	MHI MY 1 Sdn. Bhd.
Category of Land Use	"Bangunan". *(Building)*
Express Condition	"Tanah ini hendaklah digunakan untuk bangunan perdagangan bagi tujuan hotel bajet sahaja". *(This land parcel should be utilised for a commercial building for the purposes of budget hotel only)*
Restriction-In-Interest	"Tiada". *(Nil)*
Encumbrance	Charged to United Overseas Bank (Malaysia) Bhd vide Presentation No. PDSC10275/2018, registered on 2 April 2018.

PROPERTY DESCRIPTION

Location

The Subject Property is located along Jalan Hang Kasturi, which is sited within close proximity to the prestigious Golden Triangle of Kuala Lumpur, the city's main central business district accommodating prime office buildings, retail centres and prestigious international class hotels.

The Subject Property fronts onto Jalan Hang Kasturi and is easily accessible from the rest of the Kuala Lumpur city centre via Jalan Sultan Ismail, Jalan Raja Chulan, Jalan Pudu and Jalan Kinabalu.

Property Description

Travelodge Chinatown Kuala Lumpur offers a range of facilities which include hotel lobby, business centre, function / meeting rooms and restaurant / café. Travelodge Chinatown Kuala Lumpur is generally constructed of reinforced concrete frame with brick infills rendered externally and plastered internally supporting a reinforced concrete flat roof concealed.

PROPERTY DESCRIPTION (CONT'D)

Property Description (Cont'd)	Ceilings within the building are generally of plaster ceiling incorporating down lights, ceiling boards incorporating downlights and / or recessed lighting and cement plaster. Internal walls are generally finished with ceramic wall tiles, gypsum boards and cement plaster throughout; with the exception of the male and female toilets which are lined with ceramic tiles up to ceiling height. Floor finishes within the building are generally of ceramic tiles, homogeneous tiles, wall-to-wall carpet, timber vinyl flooring, cement screed and epoxy flooring. The main entrance to the hotel lobby is fitted with a double-leaf frameless glass panels whilst other doors within the building are generally of frameless single and double leaf glass panels, fire-rated timber, flushed timber and roller shutters. The windows are generally of aluminium casements incorporating glass panels and top hung units throughout. Vertical access between floors are by means of passenger lifts and staircases strategically located within the building.
No. of Room	198 guest rooms.
Approximate Gross Floor Area (GFA)	6,921.13 square metres (74,499 square feet) inclusive of commercial / retail space(s) and car park. Note: GFA as extracted from As-Built Plan
Net Lettable Area (NLA) of Commercial / Retail Space(s)	453.43 square metres (4,881 square feet). Source: The Client
Car Parking Bays	22 bays. Source: The Client
Age of Building	➢ Approximately 13 years from the issuance the Certificate of Completion and Compliance. ➢ Approximately 5 years upon refurbishment. The Subject Property had undergone refurbishment and repositioning in Year 2019.
State of Repair	The Subject Property is in good state of decorative repair.
Planning	The Subject Property is designated for commercial use, as expressly stipulated within the title document and issued with Certificate of Completion and Compliance.
Occupancy Status	➢ Approximately 65.8% in respect of Hotel. (being the average occupancy from July 2022 to May 2023) ➢ Approximately 43.2% in respect of commercial / retail space. (committed occupancy is referred herein as signed tenancies and / or letter of offer)
Hotel Management Agreement	A copy of the Hotel Management Agreement for Travelodge Chinatown Kuala Lumpur dated 15 September 2017 made between MHI MY1 Sdn Bhd (the Owner) and Travelodge Hotels (Asia) Pte. Ltd. (the Manager), together with a copy of the Supplementary Letter executed as a Deed effective as at 1 July 2020, between MHI MY 1 Sdn Bhd (the "Owner"), MHI MY 1 Pte. Ltd. (the "Immediate Parent") and Travelodge Hotels (Asia) Pte Ltd (the "Manager") were provided by the Client.

MARKET VALUE

Valuation Methodology

In arriving at our opinion of the Market Value of the Subject Property, we have adopted the **Income Approach by Discounted Cash Flow Method** supported by the **Comparison Approach.**

Income Approach by Discounted Cash Flow Method

Discounted Cash Flow incorporates the estimation of future annual cash flows over an investment horizon (forecasted/projected period) from the valuation date by referencing to expected revenue growth rates, operating expenses and terminal value. The present value of future cash flow is then determined by the application of an appropriate discount rate to derive a net present value of the property as at the valuation date.

In our assessment, we have carried out a DCF analysis over a 5-year investment horizon by using ARGUS Enterprise - Property Valuation Software, where we have projected the property to achieve a stabilised / optimum level of growth at the end of Year 5. We have included a Terminal Value after the projection period (based on the Year 5 projection) to represent the value of the asset at the end of the explicit projection period. This form of analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property in such a manner as to attain the desired level of investment return commensurate with the risk of that asset class.

ARGUS Enterprise is the global standard for property valuation and most comprehensive asset and portfolio management solution. Trusted by leading investment firms to value property, secure capital, manage assets, and generate wealth.

ARGUS Enterprise is able to:-

- Real-time calculations and lease level analysis
- Multiple report tabs for dynamic presentations and portfolio reviews
- Multiple currency rate tables for global consolidated reporting
- Dynamic drill-downs to examine property level results across a portfolio
- Build detailed cash flow forecasts and stress test market and leasing assumptions.

In undertaking this analysis, we have used a wide range of assumptions for the property including the growth of average daily rates and other revenues during the holding period, projected occupancy, expense ratios and other related expenses.

These projections are based on assumptions and events expected to occur in the future. Therefore, no guarantee can be given that these results will be achieved. The projections are however based on Knight Frank Malaysia Sdn Bhd's experience with similar projects.

In carrying out our valuation assessment, we have placed reliance upon the average revenue + cost expenses ratios as extracted from Hotel Industry Survey of Operations issued by Horwath HTL ("HHTL Report"); along with the historical operating performance and projected forecast performance prepared by the Client for Travelodge Chinatown Kuala Lumpur.

MARKET VALUE (CONT'D)

Typically, being a newly refurbished hotel with a reputable hotel operator, a gestation period (about 3 – 5 years) would be required prior stabilisation of its business operation. As such, in our projection during the holding period, we have normalised the historical revenue + cost ratios gradually back to industry average ratio(s).

Knight Frank's Hotel Projection

The summary parameters of the revenue and cost assumptions are set out below and overleaf:

Summary of Parameters of Knight Frank's Hotel Projections	
Hotel	
Projected Average Daily Rate (ADR)	Year 1: RM130 to Year 5: RM200.
Projected Occupancy	Year 1: 66.0% to Year 5: 80.0%.
Projected FF&E Provision	3.00% of Gross Operating Revenue. In accordance with the Hotel Management Agreement.
Note: Pursuant to the Supplementary Letter executed as a Deed effective as at 1 July 2020, between MHI MY 1 Sdn Bhd (the "Owner"), MHI MY 1 Pte. Ltd. (the "Immediate Parent") and Travelodge Hotels (Asia) Pte Ltd (the "Manager"), the Owner has nominated the Immediate Parent to bear the obligation and settle the fees due to and payable to the Manager with respect to Base and License Fee, Incentive Fee, Centralised Services Charges and Sales and Marketing Fee (collectively known as 'Fees'). As such, we have not taken into consideration the aforementioned fees as part of the expenses in our valuation.	
Car Parking Bays	
Projected Gross Revenue	Year 1: RM120 to Year 5: RM150 per bay per month. Projected gross revenue of car parking bays is benchmarked against surrounding car parking rates within Kuala Lumpur City Centre.
Projected Outgoings	15% of Car Parking Revenue.
Common Parameters	
Capitalisation Rate	6.00%. We have benchmarked against the existing yields of selected hotel buildings reflecting the current market condition; which are in the region of 5.90% to 6.17%. We have thus adopted a capitalisation rate / all-risk yield of 6.00%; as in our opinion, it is the most probable expected rate of return achievable at current moment for the Subject Property.
Discount Rate (PV)	8.00%. Discount rate is a risk-weighted factor used to calculate the net present value of the future cash flows from the asset till the time of exit. Our interpretation of the discount rate is based on the premise that the value of a dollar to be received in the future is equal to a dollar today minus some factor to account for the risk that the future dollar may not materialize (which can also be explained as opportunity cost, expected return of capital when invested elsewhere). A general way of determining the discount rate is to adopt the capitalisation rate together with the long-term growth rate or expected average annual appreciation of the asset. In general, the long-term growth rate for a particular asset class / sector is benchmarked against the inflation rate (in circa of 2.5% to 3.8%) as well as the Compound Annual Growth Rate (CAGR) of the asset class parameters (such as Occupancy, ADR, etc). As such, a discount rate of 8.00% is adopted for the Subject Property; which is about 2.00% higher than the expected rate of return to reflect additional risk premium of the asset.
Discount Period	5 years.

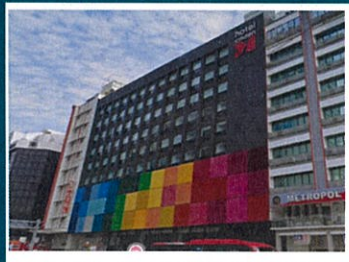
Summary of Parameters of Knight Frank's Hotel Projections (Cont'd)	
Commercial / Retail Space(s)	
Projected Gross Revenue	Year 1: RM13.50 to Year 5: RM17.19 per square foot per month, over occupied net lettable area respectively.
Projected Occupancy	Year 1: 50.0% to Year 5: 95.0%.
Projected Outgoings	Year 1: RM1.35 to Year 5: RM1.64 per square foot per month, over total net lettable area of 4,881 square feet.
Capitalisation Rate	5.50%. We have benchmarked against the existing yields of selected commercial shop-offices within the surrounding vicinity, reflecting the current market condition; which are in the region of 5.08% to 6.00%. We have thus adopted a capitalisation rate / all-risk yield of 5.50%; as in our opinion, it is the most probable expected rate of return achievable at current moment for the Subject Property.
Discount Rate (PV)	7.50%.

No capital expenditure (CAPEX) is projected in our assessment as the Subject Property is a newly completed / refurbished hotel (approximately 5 years old from the refurbishment / repositioning in 2019).

Comparison Approach

This approach considers the sales of similar or substitute properties and related market data and establishes a value estimate by adjustments made for differences in factors that affect value. In general, a property being valued (Subject Property) is compared with sales of similar properties that have been transacted in the open market. Listings and offers may also be considered. We have identified and analysed the selected sales transactions of hotel buildings and have summarised the details in the table attached below and overleaf:-

Sales Comparison and Analysis of Hotel Transactions

	Comparable 1	Comparable 2	Comparable 3
			
Legal Description	Lot 474 Section 19 held under Title No. Geran 5826, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.	Lot 1167 Section 57 held under Title No. HSD 84029, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.	Lot No. 20001 Section 46 held under Title No. GRN 76084, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.
Property / Location	CitizenM Kuala Lumpur Bukit Bintang, No. 128, Jalan Pudu, Bukit Bintang, 55100 Kuala Lumpur.	Sungei Wang Hotel, No. 74 - 76, Jalan Bukit Bintang, 50100 Kuala Lumpur.	MoMo's Kuala Lumpur, No. 316, Jalan Tuanku Abdul Rahman, Chow Kit, 50100 Kuala Lumpur.

MARKET VALUE (CONT'D)

Sales Comparison and Analysis of Hotel Transactions (Cont'd)			
	Comparable 1	**Comparable 2**	**Comparable 3**
No. of Room	210 rooms.	69 rooms.	99 rooms.
Star Rating	Boutique.	Budget.	Budget.
Tenure	Interest in perpetuity.	Interest in perpetuity.	Interest in perpetuity.
Age of Building	Approximately 3.5 years old.	N/A.	Approximately 6 years old.
Consideration	RM80,000,000.	RM30,000,000.	RM37,032,237.
Date of Transaction	8 September 2022.	21 December 2020.	5 November 2019.
Vendor	Pinnacle Supreme Sdn. Bhd.	Sri Wangdamas Sdn Bhd	OMT Hotels Sdn Bhd (formerly known as Tune Hotels Sdn Bhd).
Purchaser	Classic Benefit Sdn. Bhd.	Full Accord Sdn Bhd.	ECML Hotels Sdn Bhd (a wholly-owned subsidiary of ECM Libra Financial Group Berhad).
Source	Jabatan Penilaian Dan Perkhidmatan Harta (JPPH) / Valuation and Property Services Department		Bursa Malaysia Securities Berhad / Circular dated 5 November 2019.
Analysis	RM380,952 per room.	RM434,783 per room.	RM374,063 per room.
Remarks	-	-	The building(s) were transacted along with a parcel of commercial terrace plot (Lot 1590) at RM45.59 million based on the on-going redevelopment. Our analysis for the hotels (on completion basis) was derived based on the appraised gross development value(s) by Henry Butcher Malaysia Sdn Bhd.
Adjustments	General adjustments made for forced sale condition, location, accessibility, building condition / quality / design and occupancy	General adjustments made for prevailing market condition, building condition / quality / design, hotel facilities / star rating, hotel operator and availability of commercial / retail spaces	General adjustments made for prevailing market condition, location, accessibility, building condition / quality / design, hotel facilities / star rating, occupancy, hotel operator and availability of commercial / retail spaces
Adjusted Value	RM544,762 per room.	RM547,826 per room.	RM555,087 per room.

Valuation Rationale

From the adjusted values in Comparison Approach, we note that the derived values ranged between RM544,762 per room to RM555,087 per room.

In view of limited recorded transactions of identical hotels in the immediate and surrounding localities, we have resorted to adopt the selected comparable(s) in our assessment by Comparison Approach; as it is not possible to identify exactly alike properties to make reference to, hence appropriate adjustments are made to reflect the differences of the comparable(s) and the property being valued. With total effective adjustments made for all Comparable(s); we have thus placed greater reliance on Comparable 1 (Citizen M Hotel) as it is considered the most comparable transaction after making diligent adjustments has been made for forced sale condition, location, accessibility, building condition / quality / design and occupancy. Having regards to the foregoing, the market value of the hotel component derived from the Comparison Approach is RM108,000,000 (analysed to be RM545,455 per room).

MARKET VALUE (CONT'D)

Reconciliation of Values

Method of Valuation	Derivation of Values
Income Approach by DCF Method	RM106,300,000
Comparison Approach	RM108,000,000

Taking into consideration that the Subject Property is a commercial and income generating property, we have adopted the Market Value as derived from the Income Approach by DCF Method / Investment Method as a fair representation for the Subject Property supported by the Market Value derived from the Comparison Approach.

In a valuation of a homogeneous real estate such as vacant lands and residential homes, the Comparison Approach is the most appropriate method of valuation as there are less adjustments and analysis on comparable(s). However, in the case of more complex real estate such as shopping complexes, hotels, office buildings and other income generating or investment properties, qualitative and quantitative adjustments are more difficult to be computed or gauged to reflect the differences of the comparable(s) and the property being valued. Therefore, we have relied upon the Income Approach by DCF Method as the preferred method of valuation in our final opinion of Market Value for the Subject Property.

Having regard to the foregoing, our opinion of the **Market Value** of the interest in perpetuity in the Subject Property an operational 198-room hotel building along with ground floor commercial / retail space(s) and 22 basement car parking bays, as a going concern and fully operational hotel and subject to the existing tenancies and agreements and the title being free from all encumbrances, good, marketable and registrable, as at 30 June 2023 is as **RM106,300,000 (Ringgit Malaysia One Hundred Six Million And Three Hundred Thousand Only) (analysed at RM536,869 per room) or SGD30,922,670 (Singapore Dollars Thirty Million Nine Hundred Twenty-Two Thousand Six Hundred And Seventy Only) (analysed at SGD156,175 per room per room)** based the exchange rate of Ringgit Malaysia (RM) 1.00 equal to Singapore Dollars (SGD) 0.2909 published by Bank Negara Malaysia on 30 June 2023.

For and on behalf of
KNIGHT FRANK MALAYSIA SDN BHD
(signed and sealed by)

Knight Frank Malaysia Sdn Bhd ★ 200201017816 (585479-A) ★ Knight Frank VE(1)0141

JUSTIN CHEE TING HWANG
Registered Valuer, V-774
RICS Registered Valuer, 1235888
MRICS, MRISM, MPEPS

Note: Please note that this certificate shall only be valid provided always that a signature of our authorised signatory and an official seal have been affixed hereto.

Encl: General Principles Adopted and Limiting Conditions and Standard Terms of Business for Valuation

GENERAL PRINCIPLES ADOPTED AND LIMITING CONDITIONS IN THE PREPARATION OF VALUATION REPORTS

These are the general principles and limiting conditions upon which our Valuation Reports are normally prepared; they apply unless we have specifically mentioned otherwise in the body of the report.

1) **MALAYSIAN VALUATION STANDARDS**

This Valuation Report is carried out in accordance with the Malaysian Valuation Standards published by the Board of Valuers, Appraisers, Estate Agents and Property Managers.

Where applicable, we have also made reference to other established valuation manuals and standards such as the International Valuation Standards (IVS) and the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

2) **CONFIDENTIALITY**

This Valuation Report is confidential to the client or to whom it is addressed and for the specific purpose to which it refers. It may only be disclosed to other professional advisors assisting the client in respect of that purpose, but the client shall not disclose the report to any other party and / or person. Accordingly, our Valuation Report is to be relied on by the client and no other party. No responsibility is accepted to any other party and neither the whole, nor any part of the Valuation Report or Certificate or reference thereto may be included in any published document, circular or statement, nor published in any way, nor in any communication with third parties, without our prior written approval of the form and context in which it may appear. We shall bear no responsibility nor be held liable to any party in any manner whatsoever in the event of any unauthorised publications of the Valuation Report, whether in part or in whole.

3) **USE OF VALUATION REPORT**

The opinion of value expressed in this Valuation Report shall only be used by the addressee for the purpose stated or intended in this Valuation Report. We are not responsible for any consequences arising from the Valuation Report or any part thereof being relied upon by any other party whatsoever or for any information therein being quoted out of context. You may not otherwise reproduce, distribute, transmit, post or disclose the content of the Report without our prior written consent.

4) **SOURCE OF INFORMATION**

This Valuation Report has been prepared on the basis that full disclosure of all information and facts which may affect the valuation have been made known to us and we cannot accept any liability or responsibility for information or facts that have been supressed or not disclosed to us.

Where it is stated in the Valuation Report that information has been supplied by the sources listed, this information is deemed to be reliable and no responsibility is accepted should it be proven otherwise, be it express or implied. All other information stated without being attributed directly to another party is deemed to be from our searches of records, examination of documents or relevant sources. This Valuation Report has been prepared on the basis that full disclosure of all information and facts which may affect the valuation have been made known to ourselves and we cannot accept any liability or responsibility in any event, unless such full disclosure has been made to us.

5) **TITLE SEARCH**

Whenever possible, a private title search is conducted at the relevant Land Registry / Office but this is done to establish title particulars relevant to valuation only. Whilst we may have inspected the title of the property as recorded in the Register Document of Title, we cannot accept any responsibility for its legal validity or as to the accuracy and timeliness of the information extracted or obtained from the relevant Land Registry / Office. Legal advice may be sought to verify the title details, if required.

6) **TOWN PLANNING AND OTHER STATUTORY REGULATIONS**

Information on Town Planning is obtained from the Structure Plan, Local Plan and Development Plans published by the relevant Authority. Whilst we may make verbal enquiries, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road and drainage improvements. If reassurance is required, we recommend that verification be obtained from your lawyers or other professional advisors.

Our valuation is prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations (including fire safety and building regulations). It is assumed that they have been, or will be issued with a Certificate of Fitness for Occupation / Certificate of Completion and Compliance by the competent authority.

7) **LEASES AND TENANCIES**

Enquiries as to the financial standing of actual or prospective lessees or tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the lessees or tenants are capable of meeting their obligations under the lease or tenancy and that there are no arrears of rent or undisclosed breaches of covenants and / or warranties.

8) **DEVELOPMENT AGREEMENTS**

Unless otherwise stated, no considerations are made in our valuation for any joint venture agreement, development rights agreement or other similar contracts.

9) **MEASUREMENTS AND AGE OF BUILDING**

All measurements are carried out in accordance with the Uniform Method of Measurement of Buildings issued by The Royal Institution of Surveyors, Malaysia or such other building measurement standards as acceptable and agreed to by the client. Where the age of the building is estimated, this is for guidance only.

For properties situated outside Malaysia, the appropriate / applicable methods of measurement such as the International Property Measurement Standards (IPMS) are used in parallel with the Uniform Method of Measurement of Buildings (UMMB).

10) **SITE SURVEYS**

We have not conducted any land survey to ascertain the actual site boundaries. For the purpose of this valuation, we have assumed that the dimensions correspond with those shown in the title document, certified plan or any relevant agreement.

11) **STRUCTURAL SURVEYS**

While due care has been taken to note building defects in the course of inspection, no structural surveys nor any testing of services were made nor we inspected any woodwork or other parts of the structure which were covered or inaccessible. We are therefore unable to express an opinion or advice on the condition of uninspected parts and this Report should not be taken as making any implied representation or statement on such parts. Whilst any defects or items of disrepair may be noted during the course of inspection, we are not able to give any assurance in respect of any rot, termite or pest infestation or other hidden defects.

12) **SITE CONDITIONS, SOIL INVESTIGATION AND CONTAMINATION**

We do not carry out investigations on the property or neighbouring land in order to determine the suitability of the ground conditions and services for the existing or any new development, nor have we undertaken any archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuation is on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

No soil investigation has been carried out to determine the suitability of soil conditions and / or availability of services for the existing or any future development or planting as well as the continued use of the property in its current condition or for any redevelopment.

We have not carried out investigations into the past and present use of either the property or of any neighbouring land to establish whether there has been any contamination or if there is any potential for contamination to the property and are therefore, unable to account and report for such contamination in our Valuation Report.

13) **DELETERIOUS OR HAZARDOUS MATERIALS**

No investigations have been carried out to determine whether or not any deleterious or hazardous materials had been used in the construction of the property (building) or had since been incorporated and we are, therefore, unable to account or report on any such material in our Valuation Report.

14) **DISEASE OR INFESTATION**

Whilst due care is taken to note the presence of any disease or infestation, we have not carried out any tests to ascertain possible latent infestations or diseases affecting crops or stock. We are therefore unable to account for such in our Valuation Report.

15) **OUTSTANDING DEBTS**

In the case of buildings where works are in hand or have recently been completed, no allowances are made for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, sub-contractors or any members of the professional or design team.

16) **TAXATION, ENCUMBRANCES, STATUTORY NOTICES AND OUTGOINGS**

Unless otherwise stated, no allowances are made in our valuation for any expense of realisation or for taxation which might arise in the event of a disposal, deemed or otherwise. We have considered the property as if free and clear of all charges, lien and all other encumbrances which may be secured thereon. We also assumed the property is free of statutory notices and outgoings (including all outstanding maintenance fee and / or service charges + sinking funds applicable for stratified properties).

17) **ATTENDANCE**

The instruction and the valuation assignment do not automatically bind us to attendance in court or to appear in any enquiry before any government or statutory body in connection with the valuation unless agreed when the instruction were given or subsequently agreed upon.

18) **VALIDITY PERIOD OF VALUATION REPORT**

A Valuation Report is current as at the valuation date only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. No warranty can be given as to the maintenance of this value into the future. A periodical valuation review is recommended.

19) **LIMITATION OF LIABILITY**

Although every care has been taken in preparing the Valuation Report, if it is proven that there is an apparent negligence on the part of the Valuer, the liability of this valuation (whether arising from this valuation, negligence or any other cause whatsoever) is limited in respect of any event or series of events to the actual loss or damage sustained subject to a liability cap to be mutually agreed between client and the Valuer and clearly set out in the terms of engagement.

STANDARD TERMS OF BUSINESS FOR VALUATION

These Standard Terms of Business comprise a part of our Letter of Engagement. The following Standard Terms of Business apply to all valuations and appraisals undertaken by Knight Frank Malaysia Sdn Bhd unless specifically agreed otherwise in confirming instructions and so stated within the main body of the valuation report.

1. DEFINITIONS

1.1 'Terms' means the terms of business set out in this agreement and include any other terms and conditions set out or referred to in our Letter of Engagement. These Terms apply to all services that you instruct us to provide and cannot be varied or amended except in writing and signed by you and Knight Frank.

1.2 'Client' (referred to throughout as 'you') means the person, company, firm or other legal entity named in our Letter of Engagement. Knight Frank will not accept instructions to act for any alternative person, company, firm or other legal entity nor will these Terms apply unless we have agreed in writing to act for that alternative entity.

We reserve the right to refuse to act for such an alternative entity until (if at all) we have undertaken due diligence to fulfill our internal credit, anti-money laundering and risk obligations. In the event that we are instructed to act for a single purpose corporate vehicle we reserve the right to require and be provided with a parent company guarantee for our fees before accepting instructions to act.

1.3 'Knight Frank' means Knight Frank Malaysia Sdn Bhd Co Reg. No. 200201017816 (585479-A) (VE (1) 0141).

1.4 'Letter of Engagement' means the instruction letter, proposal or tender which is sent to you with these Terms. In the event that there is any conflict between the terms set out in this agreement and the Letter of Engagement, the terms in the Letter of Engagement shall take precedence.

1.5 'Services' means the specific services set out in the Letter of Engagement and any other services which we agree to provide in writing.

2. OUR FEES

2.1 The client shall pay to Knight Frank fees as set out in our Letter of Engagement. In addition, the client will reimburse Knight Frank the cost of all reasonable out-of-pocket expenses that maybe incurred, unless stated otherwise.

2.2 We reserve the right to impose an interest of 10% per annum on the outstanding balance of the invoice which is not settled in full within 14 days from the date of the invoice. If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.

2.3 If before the valuation is concluded:-

(a) you end this instruction at any stage, we will charge abortive fees; or

(b) you delay the instruction by more than [6] months or materially alter the instruction

And in each case such fees will be calculated on the basis of reasonable time and expenses incurred, or the amount specified in the Letter of Engagement.

2.4 Where the valuation is for loan security purposes, and we agree to accept payment of our fee from the borrower, the fee remains due from you until payment is received by us. Additionally, payment of our fee is not conditional upon the loan being drawn down or any conditions of the loan being met.

3. INVOICING AND PAYMENT

We will be entitled to issue an invoice and our fees will become due for payment free from any discount, deduction set-off or counter claim:

i) within 14 days from the date of invoice; or

ii) when you withdraw your instructions, in which case Clause 2.3 applies.

4. TAXES

The fees, disbursements and expenses referred to in these Terms unless otherwise stated in the Letter of Engagement are all subject to the addition of Service Tax / GST where applicable (and any other taxes worldwide which may arise).

5. LIMITATIONS ON LIABILITY

5.1 Our valuation is confidential to the party to whom it is addressed for the stated purpose as agreed between the client and Knight Frank and no liability is accepted to any third party for the whole or any part of its contents. Liability will not subsequently be extended to any other party save on the basis of written and agreed instructions; this may incur an additional fee.

5.2 Neither the whole or any part of Knight Frank's report / letter and valuation nor any reference thereto may be included in any document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any web-site) without our prior written approval of the form and context in which it may appear.

5.3 The client agrees not to bring any claims arising out of or in connection with this agreement against any member, employee, shareholder or consultant of Knight Frank.

Those individuals will not have a personal duty of care to the client and any such claim for losses must be brought against Knight Frank.

5.4 Knight Frank will not be liable in respect of any of the following:

i) for any services outside the scope of the services agreed to be performed by Knight Frank;

ii) to any third party; or

iii) in respect of any direct or indirect consequential losses or loss of profits.

5.5 Where any loss is suffered by you for which Knight Frank and any other person are jointly and severally liable to you, the loss recoverable by you from Knight Frank shall be limited so as to be in proportion to Knight Frank's relative contribution to the overall fault.

5.6 Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to RM20 million, unless otherwise stated.

5.7 Nothing in these Standard Terms (or in our Letter of Engagement) shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.

6. INDEMNITIES

You agree to indemnify Knight Frank against all costs, claims, charges and expenses which Knight Frank shall incur by reason of (but not limited to):

i) Use of any of Knight Frank's work for purposes other than those agreed by Knight Frank.

ii) Misrepresentation by you or with your authority to third parties of advice given by Knight Frank.

iii) Misrepresentation to third parties of the extent of Knight Frank's involvement in any particular project.

7. ASSIGNMENT

Neither this agreement nor any of its terms may be assigned by either you or Knight Frank to any third party unless agreed in writing.

8. COMPLAINT PROCEDURE

If you have any concerns about our service, please raise them in the first instance with the valuer concerned. If this does not result in a satisfactory resolution, please contact the relevant Head of Department.

9. GOVERNING LAW

These Terms of Business shall be governed by and construed in accordance with the laws of Malaysia.