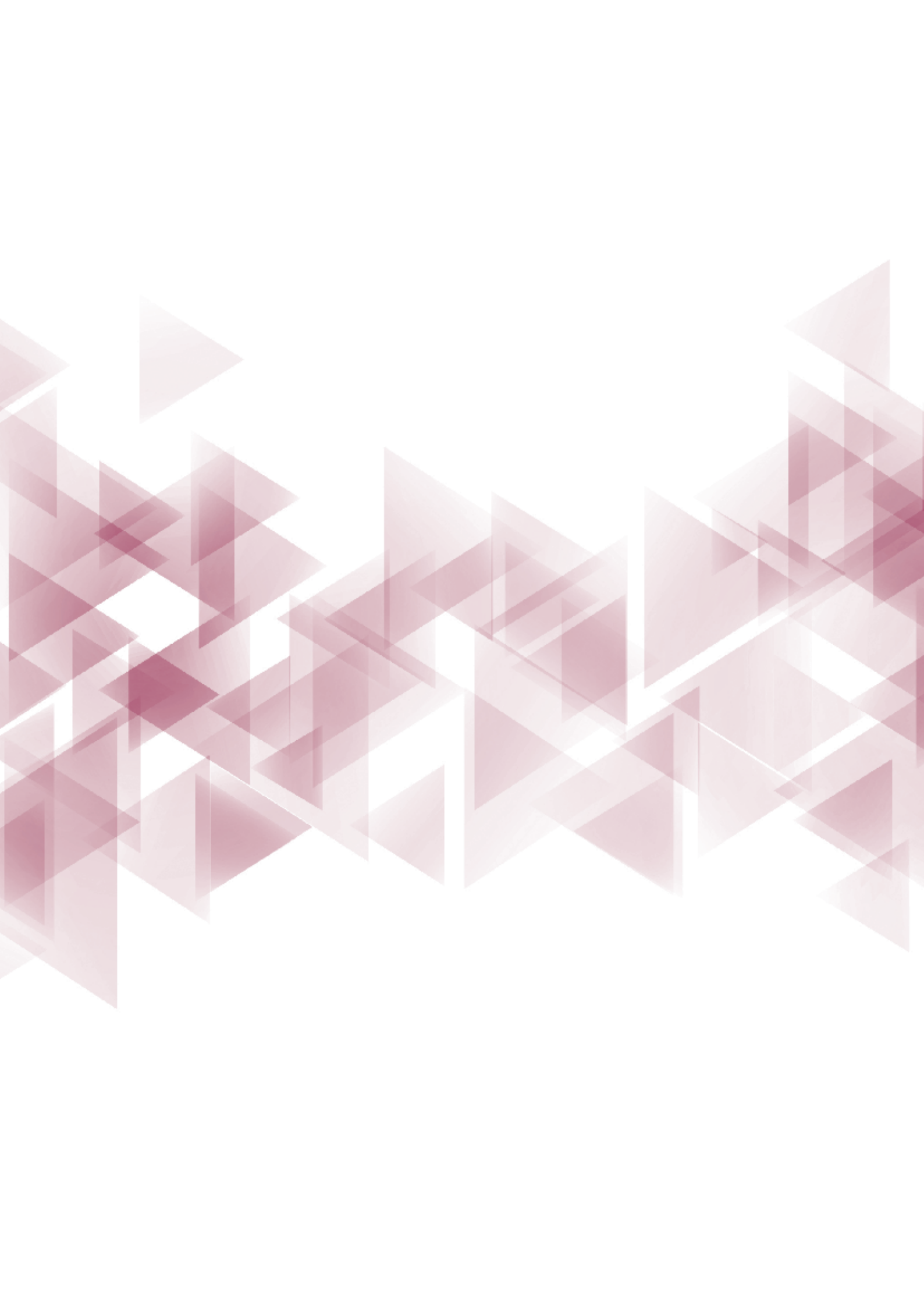




**INVESTMENT CAPITAL PARTNERS
ANNUAL REPORT 2018**



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

The Company's Sponsor has not independently verified the contents of this Annual Report including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements or opinions made or reports contained in this Annual Report. This Annual Report has not been examined or approved by the SGX-ST.

The Company's Sponsor and the SGX-ST assumes no responsibility for the contents of this Annual Report including the correctness of any of the statements or opinions made or reports contained in this document.

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

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS

On behalf of the Board of Directors of ICP Ltd. ("**Company**", together with its subsidiaries, collectively "**Group**"), I am pleased to present to you the Annual Report for the financial year ended 30 June 2018.

FINANCIAL PERFORMANCE

The Group reported a loss after taxation of S\$3.0 million for the financial year ended 30 June 2018 ("**FY2018**") as compared to the loss of S\$2.6 million for the financial year ended 30 June 2017 ("**FY2017**"). The increase in the loss after taxation was mainly due to the Group continuing to invest in an integrated hospitality operating system and building up a strong hospitality platform and team largely based in Singapore. As a result, higher staff costs and operating expenses were incurred. The substantial part of this process has been completed and the Group looks to positive contribution and payback from this investment in the near future.

The revenue of the Group was S\$3.2 million in FY2018 as compared to S\$2.1 million in FY2017, an increase of 53% or S\$1.1 million. The increase was mainly due to higher revenue recorded by the hospitality division as a result of the continuing development of the Travelodge brand in the region. Moreover, revenue in relation to the management and franchise fees for the Travelodge hotels that rebranded or opened during the financial year did not accrue for the entire year, namely Travelodge Central Hollywood Road, Travelodge Sukhumvit 11 and Travelodge Batam. Revenue from the vessel chartering segment in FY2018 declined slightly from FY2017, at S\$1.8 million and S\$1.9 million respectively.

The Group's gross profit increased by S\$0.9 million from S\$0.8 million in FY2017 to S\$1.7 million in FY2018, mainly due to higher fee income earned by the hospitality division.

Finance income decreased by S\$0.3 million, mainly due to lower interest income arising from the withdrawal of fixed deposits placed with financial institutions in FY2018 to fund the acquisition of Geo Hotel in Kuala Lumpur ("**Geo Hotel**"), which the Group will rebrand and manage as Travelodge Central Market from the fourth quarter of 2018 onwards.

Finance costs increased by S\$0.3 million, mainly due to the drawdown of a bank loan for the acquisition of Geo Hotel.

MAJOR DEVELOPMENTS

In FY2018, the Group achieved significant progress in developing its hospitality business under the Travelodge brand.

The Group is delighted to announce the opening of 4 new hotels during the financial year, namely Travelodge Pattaya (opened on 1 July 2017), Travelodge Central Hollywood Road, Hong Kong (opened on 14 September 2017), Travelodge Sukhumvit 11, Bangkok (opened on 1 November 2017) and Travelodge Batam (opened on 1 January 2018).

As announced on 14 March 2018, the Group has completed the acquisition of the prospective Travelodge Central Market in Kuala Lumpur for a total consideration of RM86.0 million (approximately S\$29.0 million).

CHAIRMAN'S STATEMENT

In addition to that, the Group has also secured a management contract to manage a newly renovated 168-room midscale hotel which will be branded as Travelodge Bukit Bintang. Opened in the third quarter of 2018, Travelodge Bukit Bintang is situated in Kuala Lumpur's Golden Triangle, along the famous Jalan Alor food street, and right at the pulse of the city's shopping and business district. The hotel is less than 1km away from the iconic Petronas Twin Towers, a must-visit destination for travellers who want to take in the breathtaking views of the city.

BUSINESS OUTLOOK

For the next 6 to 12 months, we expect the revenue and earnings from the vessel chartering segment to remain little changed, due to prevailing industry market conditions.

We expect to report higher contribution from the hospitality segment in the next 6 to 12 months driven by the continued expansion of the Travelodge brand across Asia. The long-term strategy of the Group to expand its hotel business under the Travelodge brand would continue under an asset light approach. Except for the investment in Travelodge Central Market, the Group's focus is on third party hotel management and franchise, and there are no current plans to enter into capital intensive acquisitions. The Group will continue to work on various opportunities with third party hotel owners to expand the Travelodge brand in the region especially in Hong Kong, Singapore, Malaysia, Indonesia, Vietnam, Japan, and Korea by capitalising on its brand, infrastructure, operating system and the core team based primarily in Singapore.

We observe a high standard of corporate conduct, integral to ensuring business sustainability and safeguarding the interest of our stakeholders. We want to strengthen our sustainability, by further integrating sustainability into the Group's DNA and business processes. We will step up our efforts in this respect as we work towards our long-term goals.

DIVIDENDS

The Group has spent the last few years building and successfully creating the systems and foundation for a scalable and integrated Asian hospitality platform for the future. The investment is necessary to put the Group on a strong footing going forward. Naturally this had adverse effect on short term profitability and regrettably the Board is not recommending a dividend for FY2018.

APPRECIATION

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

AW CHEOK HUAT

Non-Executive Chairman
28 September 2018

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

The Group reported revenue of S\$3.2 million in the financial year ended 30 June 2018 (“FY2018”) as compared to S\$2.1 million in the financial year ended 30 June 2017 (“FY2017”), an increase of 53% or S\$1.1 million. The increase was mainly due to higher revenue recorded by the hospitality division. Revenue from the vessel chartering segment in FY2018 declined slightly from FY2017, at S\$1.8 million and S\$1.9 million respectively, in line with current market conditions.

The Group’s gross profit increased by S\$0.9 million from S\$0.8 million in FY2017 to S\$1.7 million in FY2018, mainly due to higher fee income earned by the hospitality division.

Other income increased by S\$0.1 million, mainly due to tax incentives received by the hospitality division.

Administrative expenses increased by 31% from S\$3.3 million in FY2017 to S\$4.3 million in FY2018. This was mainly due to the increase in staff costs and other operating expenses incurred by the Group’s hospitality division as the Group continued to expand its hospitality business.

Other expenses decreased by 93% or approximately S\$0.1 million, mainly due to the absence of a provision for impairment loss on plant and equipment of S\$0.1 million made in FY2017.

Finance income decreased by S\$0.3 million, mainly due to lower interest income arising from the withdrawal of fixed deposits placed with financial institutions in FY2018.

Finance costs increased by S\$0.3 million, mainly due to drawdown of a bank loan for acquisition of a hotel property by the hospitality division.

As a result of the above, the Group reported loss before tax of S\$3.0 million in FY2018 as compared to loss before tax of S\$2.4 million in FY2017.

FINANCIAL POSITION

Non-current assets

Non-current assets increased by S\$30.9 million, mainly due to the acquisition of property, plant and equipment of S\$31.1 million (comprise of the hotel property of S\$30.4 million) offset with depreciation of S\$1.3 million charged during the year, in addition to advance provided to other receivables of S\$1.1 million.

Current assets

Current assets decreased by S\$14.5 million, mainly due to amount paid for the acquisition of a hotel property offset with the increase in trade and other receivables which includes GST recoverable from the tax authority and prepayment incurred in relation to the renovation of the hotel property.

Non-current liabilities

Non-current liabilities increased by S\$20.3 million, mainly due to drawdown of term loan and advance from non-controlling interests to fund for the acquisition of hotel property during the year.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

Current liabilities

Current liabilities decreased by S\$1.0 million, mainly due to the repayment of bank borrowings of S\$2.0 million offset with increase in trade and other payables of S\$1.0 million during the year.

Equity

Overall, the Group's total equity decreased by S\$2.9 million from S\$34.5 million as at 30 June 2017 to S\$31.6 million as at 30 June 2018, attributable to changes in the Group's reserves. The decrease was mainly due to the operating loss of S\$3.0 million incurred during the year.

CASH FLOWS

The Group's cash and cash at bank was S\$4.5 million as at 30 June 2018.

Net cash used in operating activities increased from S\$1.5 million in FY2017 to S\$2.5 million in FY2018. This was mainly due to the increase in staff costs and other operating expenses incurred by the Group's hospitality segment as the Group continued to develop its hospitality business.

Net cash used in investing activities was S\$15.5 million in FY2018 as compared to the net cash generated of S\$0.5 million in FY2017. The increase in cash used in investing activities was mainly related to the acquisition of property, plant and equipment by the Group's hospitality segment.

Net cash generated from financing activities increased from S\$1.6 million in FY2017 to S\$18.3 million in FY2018. This was mainly due to the net proceeds received from loans and borrowings and non-controlling interests amounted to S\$13.7 million and S\$4.6 million, respectively, in FY2018.

OPERATIONS PERFORMANCE

Performance of Group's business segments (after inter-segment adjustments) during the year is as follows:

- (i) Loss from the hospitality segment representing the management of hotels and licensing of the Travelodge hotel brand increased by 15% or S\$0.3 million, mainly due to the increase in staff costs and other operating expenses incurred as the Group continued to expand its hospitality business. Moreover, revenue in relation to the management and franchise fees for the Travelodge hotel that rebranded or opened during the financial year did not accrue for the entire year.
- (ii) The revenue from the vessel chartering segment representing investment in and chartering of ships, in FY2018 declined slightly from the revenue reported in FY2017. Earnings from the vessel chartering segment increased by 97% or S\$0.2 million, mainly due to lower tax expenses of S\$0.2 million compared to FY2017.
- (iii) Loss from the investment holding segment increased by 36% or S\$0.2 million, mainly due to lower finance income of S\$0.2 million compared to FY2017.

BOARD OF DIRECTORS



MR. AW CHEOK HUAT

Non-Independent
Non-Executive Chairman

Mr. Aw Cheok Huat is a Non-Independent and Non-Executive Director of ICP Ltd. He was appointed as a Director on 19 December 2012 and was last re-elected on 30 October 2017. He is the Chairman of the Board of Directors.

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

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



MR. WINSTON SEOW HAN CHIANG

Independent
Non-Executive Director

Mr. Winston Seow Han Chiang was appointed to the Board as an Independent Non-Executive Director on 2 March 2012 and was last re-elected on 28 October 2016. He was also appointed as the Chairman of the Nominating Committee and is a Member of the Audit Committee and Remuneration Committee.

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

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



MR. TAN KOK HIANG

Independent
Non-Executive Director

Mr. Tan Kok Hiang was appointed to the Board as Non-Executive Chairman and Independent Director on 2 March 2012. He relinquished his position as Non-Executive Chairman on 19 December 2012 and remains on the Board as the Chairman of the Audit Committee and a Member of the Nominating Committee and Remuneration Committee. Mr. Tan has been appointed as the Lead Independent Director with effect from 20 November 2014. He was last re-elected as a Director on 28 October 2016.

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

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



MR. ONG KOK WAH

Independent
Non-Executive Director

Mr. Ong Kok Wah was appointed to the Board as an Independent Director on 21 January 2013 and was last re-elected on 30 October 2017. He was also appointed as the Chairman of the Remuneration Committee and is a Member of Audit Committee and Nominating Committee.

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

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

MANAGEMENT



MR. STEPHEN BURT
Director

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

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

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



MR. AW MING-YAO MARCUS
Director and Vice President

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

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

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

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



MR. NG YEOW CHONG
General Manager

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



MR. OOI WYN YAN
Financial Controller

Mr. Ooi Wyn Yan is the Financial Controller of ICP Ltd., responsible for all the financial and accounting functions of the Company and the Group. He joined the Company on 23 July 2018. Mr. Ooi started his career in an international accounting firm in Malaysia since 2008 and subsequently in Singapore in 2014, and had worked as a finance manager for a firm in Singapore. Mr. Ooi graduated with a Bachelor of Accountancy degree.

THE TRAVELODGE FOOTPRINT IN ASIA AS OF TODAY: 4 COUNTRIES, 7 HOTELS, 1,282 ROOMS...



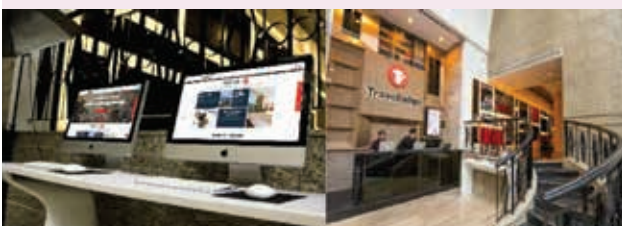
EXPANDING THE TRAVELODGE BRAND ACROSS KEY CITIES IN ASIA



Hong Kong

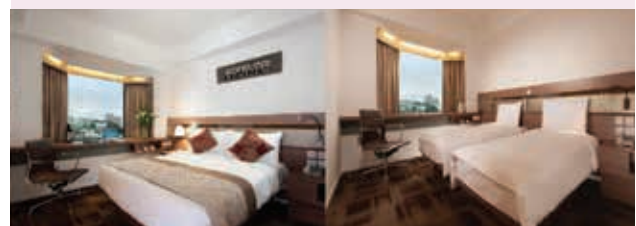
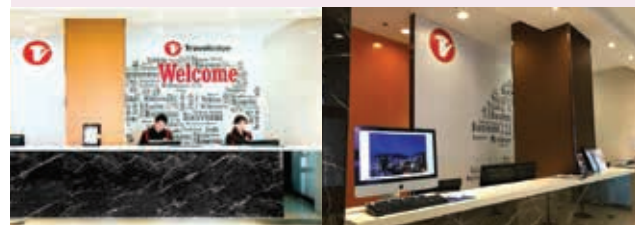
Travelodge Central Hollywood Road (148 rooms)

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



Travelodge Kowloon (126 rooms)

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

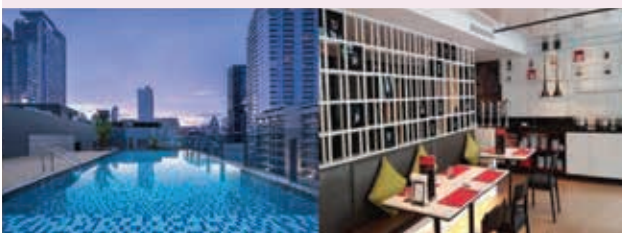


EXPANDING THE TRAVELODGE BRAND ACROSS KEY CITIES IN ASIA



Travelodge Sukhumvit 11 Bangkok (224 rooms)

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



Travelodge Pattaya (164 rooms)

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



EXPANDING THE TRAVELODGE BRAND ACROSS KEY CITIES IN ASIA



Kuala Lumpur
Malaysia

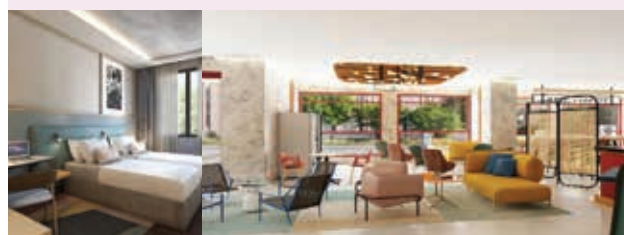
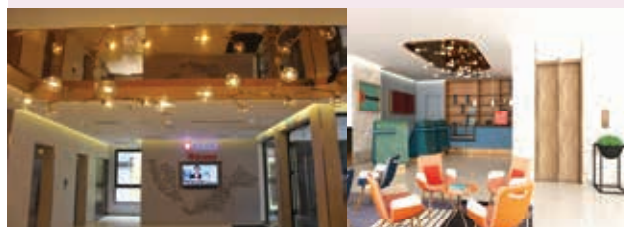
Travelodge Central Market ("TLCM") (198 rooms)

Rebranding in the fourth quarter of 2018, the prospective TLCM is situated in the heart of Kuala Lumpur, across the iconic Central Market and within minutes of the ever-popular and bustling Chinatown of Kuala Lumpur, Petaling Street. The hotel's convenient location makes it a hub for travellers of all purposes.



Travelodge Bukit Bintang ("TLBB") (168 rooms)

Opened in August 2018, TLBB is situated at the core of Kuala Lumpur's shopping and entertainment district. Located 300m away from Bukit Bintang Monorail Station, it is also near popular shopping areas such as Sungei Wang Plaza and Berjaya Times Square. The location is perfect for travellers who want to indulge in both a memorable shopping and food experience.



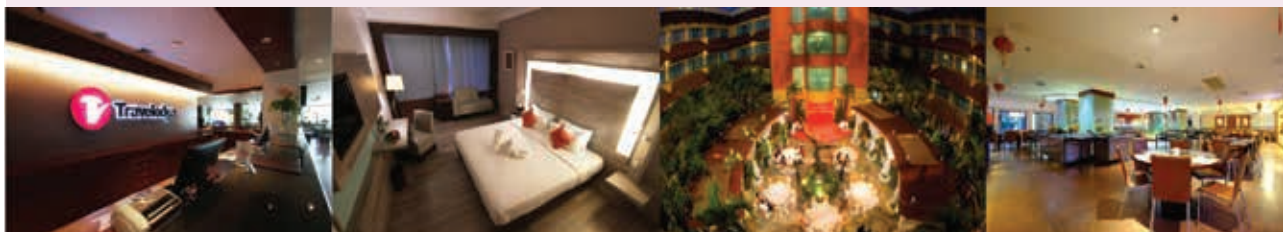
EXPANDING THE TRAVELODGE BRAND ACROSS KEY CITIES IN ASIA



Indonesia







Travelodge Batam (254 rooms)

Opened in January 2018, the hotel is in a prime location with many shopping sites, spa centres and eateries nearby. Easily accessible by the airport and Batam Centre Ferry Terminal, the hotel is a convenient place to rest for travellers who want to explore the various attractions that the city has to offer.



EXPANDING THE TRAVELODGE BRAND ACROSS KEY CITIES IN ASIA

TRAVELODGE DEVELOPMENT PIPELINE

Country	Brand	City	Rooms	Status as at 31 August 2018
Thailand 	Travelodge	Phuket	150	Management Agreement signed. Target to open in 2020.
Thailand 	Travelodge	Bangkok	85	Signed MOU
Thailand 	Travelodge	Krabi	133	Signed MOU
Thailand 	Travelodge	Chiang Mai	85	Signed MOU
Vietnam 	Skye by Travelodge	Nha Trang	2,500	Management Agreement signed. Target to open in 2020.
Vietnam 	Travelodge	Vung Tau	252	Signed MOU

MOU = Memorandum of Understanding

CONTINUING WITH OUR CORE EXPERTISE

SHIPPING

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



SHIP'S PARTICULARS

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



SHIP'S PARTICULARS

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

SUSTAINABILITY REPORT

Year ended 30 June 2018

1 INTRODUCTION

The rising tide of sustainable efforts has taken centre stage in many businesses. Modern mindsets are switching gear to a “green” mode and fuelling a growing awareness of the impact of business developments and operations on the environment and social community.

ICP Ltd and its subsidiaries (“the Group”) recognises our environmental and social responsibilities. The Group is committed to contributing to environmental protection and preservation towards a sustainable future as we develop our hospitality business. With the support of the shareholders, management and employees, we strive to develop and engage in sound practices and be an ethical and responsible business entity.

This is the Group’s first sustainability report and we have adopted a phased-in approach. As we embark on our sustainability reporting journey, we have identified our material Environmental, Economic, Social, and Governance (“ESG”) factors and calibrated current practices against future initiatives relating to non-financial aspects of the Group’s operations. The current practices and future initiatives will be reviewed on an ongoing basis, taking into account the current business environment, objectives and key stakeholder concerns. We believe in building a sustainable business model which takes into account key stakeholder interests while creating greater value for shareholders in the long run. We report with reference to the Global Reporting Initiative (“GRI”) standards (core option) and in accordance with SGX-ST Listing Rules (711A and 711B) – Sustainability Reporting Guide. The GRI Content Index is found at the end of this report.

1.1 About ICP Ltd

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

Our three key operating platforms are:

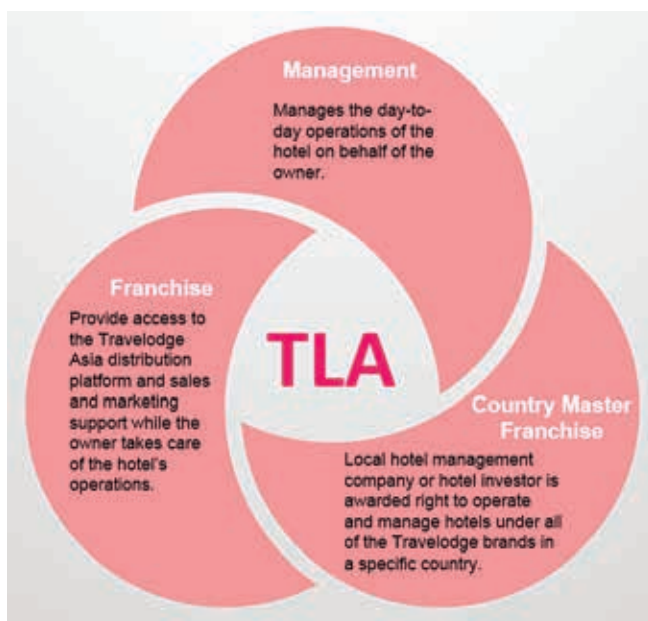
- Hospitality – the Group owns the globally recognised Travelodge hotel brand in Asia and currently, manages and franchises hotels in Malaysia, Hong Kong, Thailand and Indonesia. The Group targets to expand the Travelodge brand to other countries in Asia, such as, Singapore, Vietnam, Japan and Korea.
- Vessel Ownership and Chartering – through subsidiaries, GMT Bravo Pte Ltd and GMT Charlie Pte Ltd, the Group owns and charters two Singapore flagged petroleum product tankers.
- Other Investments – investment in quoted and/or unquoted securities including debentures, stocks, shares and units in any fund or collective investment scheme.

Our Sustainability Report focuses on our hospitality business, in particular, the owned and managed hotels. In subsequent years, the Group may decide to broaden the scope to include other business segments of the organisation.

SUSTAINABILITY REPORT

Year ended 30 June 2018

1.1 About ICP Ltd (Continued)



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

Travelodge Hotels (Asia) Pte Ltd

1.2 Board Statement

The Board is responsible for the long-term success of the Group and views sustainability as one of the Group's strategic objectives.

We observe a high standard of corporate conduct, integral to ensuring business sustainability and safeguarding the interest of our stakeholders. We want to strengthen our sustainability, by further integrating sustainability into the Group's DNA and business processes.

We will step up our efforts as we work towards our long-term goals and embed our sustainability in our business operations.

1.3 Defining Material Issues

Taking the stakeholders' perspectives, the Group considered and assessed each factor in determining material issues. We have identified a list of sustainability issues affecting our business and prioritised the key sustainability issues internally through the use of questionnaires. We further engaged in dialogue with the Board/Senior Management and have sought their concurrence on the identification of ESG factors. The ranking is based on the significance of the organisation's ESG impact and the substantive influence on the assessments and decision of key stakeholders.

SUSTAINABILITY REPORT

Year ended 30 June 2018

1.3 Defining Material Issues (Continued)

We have classified the following as our Material ESG Factors (illustrated in figure 1) and we strive towards sustainability in addressing the material issues:



Figure 1 – Material ESG Factors

1.4 Engaging Stakeholders

The Group is committed to building lasting and mutually beneficial relationships with our key stakeholders.

The Group identifies key stakeholders in consideration of our business activities and impacts. We have identified 7 key stakeholders (illustrated in figure 2) with significant influence in our business. We believe that our ability to engage and listen to our key stakeholders enables us to have a better and deeper understanding of the key stakeholders' expectations and concerns. This allows the Group to build more robust processes to ensure that sustainability remains a key focus of the Group and we are able to manage and overcome ESG challenges better as they arise.

SUSTAINABILITY REPORT

Year ended 30 June 2018

1.4 Engaging Stakeholders (Continued)



Figure 2 – Engaging Stakeholders

SUSTAINABILITY REPORT

Year ended 30 June 2018

1.5 Strategies and Targets

We define our strategies and targets (illustrated in figure 3) to anticipate what is needed and implement a plan to achieving positive business results.

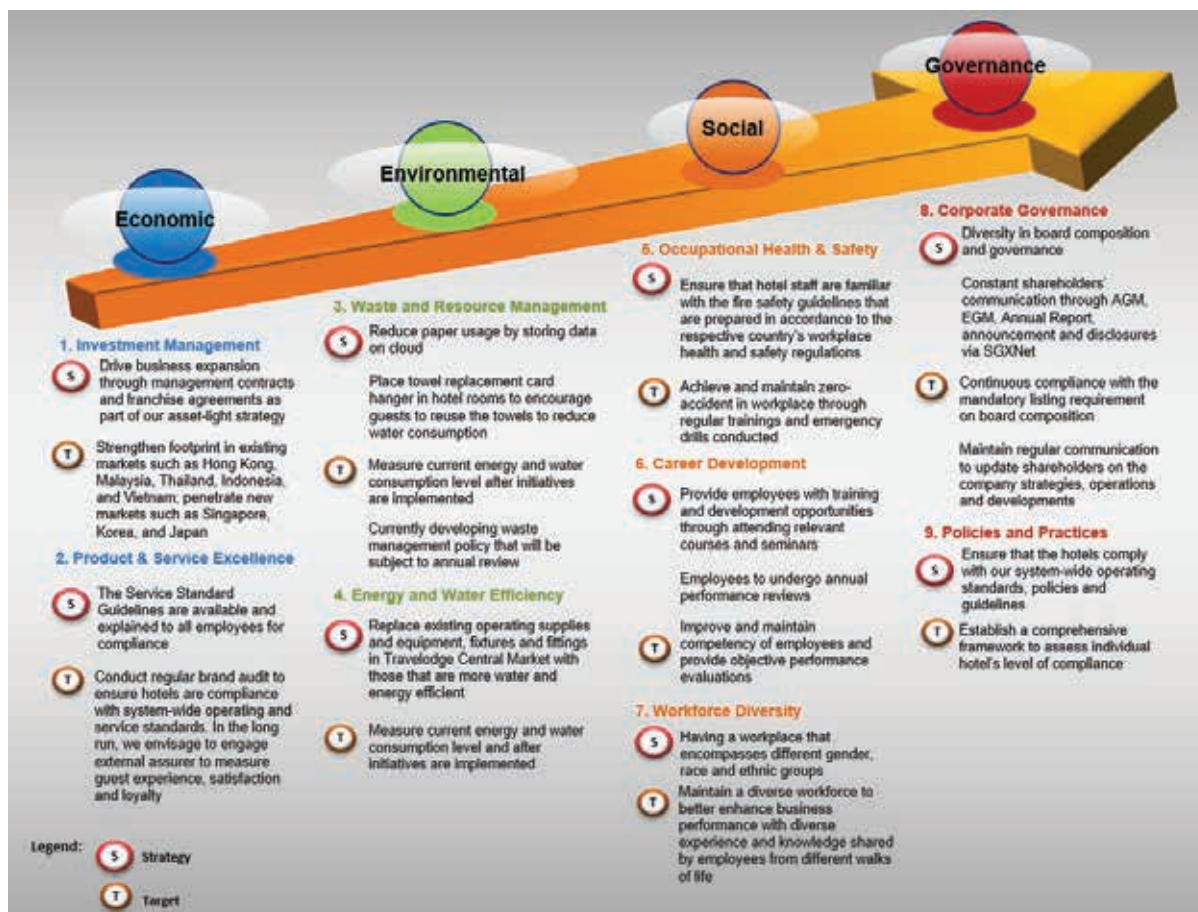


Figure 3 – Strategies and Targets

SUSTAINABILITY REPORT

Year ended 30 June 2018

1.6 Risk and Opportunities

We are focused on the key ESG factors with the most potential for creating maximum value for shareholders and key stakeholders. This involves managing ESG risks and opportunities across the value chain. Our approach is to engage our value chain partners, wherever possible, to address the ESG impacts in our operations.



Figure 4 – Risks and Opportunities

2 ECONOMIC

The Group engages its business partners and suppliers in developing a sustainable supply chain. When working with new business partners and suppliers, we assess factors such as, including but not limited to, their expertise, track record, conformance to the government regulations, and their financial standing.

To stand out in our brand positioning within the competitive service industry, we foster good customer relationships. An aspect of nurturing good customer relationships lies within providing Service Excellence. Back in the days when guests were contented just receiving "thank you" and "please" or getting services with a smile are gone. Now, satisfied guests are constantly looking for a memorable experience and dynamic services where it counts.

2.1 Investment Management

The Group is focused on growing our hospitality business by pursuing an asset-light strategy, driven by both franchise agreements and management contracts. This is to reduce concentration risk of our capital and diversify our capital into potential and untapped portfolios to maximise our shareholder's value. The Group's current strategy is to establish and grow its presence in key regional markets such as Singapore, Malaysia, Hong Kong, Korea, Japan, Thailand and Indonesia.

SUSTAINABILITY REPORT

Year ended 30 June 2018

2.2 Product & Service Excellence

Product & service excellence is about taking a step further to create new and better values to our guests apart from delivering only to their expectations. The initial step to service excellence is to ensure that employees understand and follow the Service Standards guideline that is in place. The guideline grants opportunities in achieving service excellence because it provides the behavioural template that brings everyone to a pre-set standard that leads to consistent services. Internal operational audits have been conducted biannually to ensure compliance to our guidelines. The Group targets to engage an external assurance party to conduct the operational audit in the long run.

The Group respects and values our guests' feedback. We go the extra mile to improve our customer satisfaction and experience as a member of Travelodge ("TravelodgeR") by adopting our very own Guest Management System. We have installed a survey tool in every one of our hotels. The device collects our guests' ratings, experience and service feedbacks. After which, the data is gathered in a software to measure the level of satisfaction and compared the results against competitors. This enables us to further understand guests' expectations and evaluate potential guests' complaints. A satisfied guest is a loyal guest. The Group takes on the proactive approach to review the survey results weekly to ensure that we are consistently tracking our customers' satisfaction level and resolving any customer issue. Moving forward, we aim to qualify our measurements through detailed analysis to recognise our strengths and weaknesses.



Travelodge is an Ordinary Member of the Malaysian Association of Hotels ("MAH"). MAH integrates members of the association throughout Malaysia to constantly enhance productivity in the hotel industry, and to promote international, regional and domestic tourism. Being officially recognised as a National Hotel Association, MAH is committed to the exacting standards of service quality acknowledged by Malaysia and beyond.

The Group also uses a hotel data solution system "Revinate" to capture, measure, and optimise guest experience by bringing together all online reviews and social media mentions from TripAdvisor and Google. The Group reviews the collated data weekly to track guests' satisfaction and to provide timely response to negative reviews.

The Group provides online booking and contactless payments at selected locations. Any guest who signs up on the TravelodgeR programme can enjoy discounts at all Travelodge Hotels in Asia.

SUSTAINABILITY REPORT

Year ended 30 June 2018

3 ENVIRONMENTAL

Small individual actions can have a large impact to help ensure that environmental sustainability considerations and actions are developed in a holistic manner. As the Group strives to enhance the quality of our guests' stay, we make sure our actions are undertaken with utmost respect to, and minimal impact on, the environment for the benefit of the local communities in which we operate.

3.1 Waste and Resource Management



We look towards having an environmental friendly operation by implementing good environmental sustainability practices in our day-to-day operations to ensure effective protection of the environment. Our paper usage has been reduced dramatically by storing data on the cloud.



We further target to formulate the Waste Management Policy to be a guide on the process to take address the preservation of the environment. We will encourage our guests to participate in the recycling of resources by installing door hangers inside the room and toilets to remind guest to change towels only when required.

3.2 Energy and Water Efficiency

The importance of energy and water conservation is growing as climate change and population factors simultaneously increase energy and water demand and reduce availability. Prudent use of energy and water is needed, ensuring that it is used wisely and efficiently and does not endanger resources or cause serious damage to the environment.



We ensure that hotels undergoing renovations will incorporate energy efficient materials and lighting and water use management in the interior design for sustainability.

Included within the targets are replacing lights with energy saving bulbs and reminding guests to switch off lights, appliances, etc. We also install water efficient appliances and fittings to measure consumption levels.

SUSTAINABILITY REPORT

Year ended 30 June 2018

4 SOCIAL

In this section of the report, we provide the management approach disclosure for the following GRI topics: Occupational Health & Safety, Career Development, and Workforce Diversity.

As a well-established and highly recognised global brand lodging service provider, it is critical and essential to provide a safe and healthy environment as a bottom line for our valued guests and our employees to enhance our productivity, and reduce our employee turnover.

4.1 Occupational Health and Safety

Workplace Safety is about employees' health and the potential risk they might face. We believe in the association between being healthy and productive. A healthy worker is a productive worker. We strictly adhere to our Fire Life Safety Guidelines that were adapted in accordance with this Workplace Health and Safety Act to minimise workplace accidents. The scope of the guidelines covers employees that are working at the hotel level. The standard guidelines and emergency routes are carefully planned and periodically reviewed. We conduct regular workplace safety training, maintenance and fire drills for our hotel staff. Our employees are trained to identify potential hazards and familiarise themselves with the emergency exit routes. They are advised to report to their supervisors or managers any shortcomings or defect, for further evaluation and investigation. As of the reporting date, we recorded zero work related injuries and ill health. Health and safety is a priority for every individual.

4.2 Career Development

Training & Education presents a prime opportunity to bridge knowledge gaps and expand the knowledge base of all employees. Training & Education also bring employees to a higher level so that they possess similar knowledge and skills. The Group sees this as a crucial aspect for career growth and development. Employees are required to attend skillset relevant courses and seminars whenever available. We target to formulate a training road map that encompasses the competency and learning framework for a structured and comprehensive training programme.

The Group also conducts an annual performance review for objective evaluation of employees' performance as part of their strategy to motivate and retain employees. The Group believes that both approaches allow employees to take up more challenging roles, consistently expanding their limits and recognising their efforts. As of the reporting date, all employees received annual performance reviews. As such, the Group aims to maintain their current practice to increase employees' competency and efficiency.

4.3 Workforce Diversity

Workforce Diversity is a valuable asset for a service industry that seeks competitive advantages in the global economy. The Group supports diversity and employs people with different backgrounds with a wide range of experiences and characteristics to broaden our skill base such as cultural exposure and communication skillset to excel in guest service. In addition, diversification aids in the collection of a larger pool of strategies and ideas to target and serve our valued guests. More can always be done to further enhance diversity by looking at inclusion and gender equality across our value chain and we will be looking at this area even more in our sustainability journey.



SUSTAINABILITY REPORT

Year ended 30 June 2018

5 CORPORATE GOVERNANCE

The Group is committed to good corporate governance and observes a high standard of corporate conduct, integral to ensuring the sustainability of its business and performance as well as safeguarding stakeholders' interest and maximising long-term shareholders value. The Board is collectively responsible for the long-term success and sustainability of the Group. We target to appoint a Committee involving Senior Management Executives, led by an Executive Director of Travelodge Hotels Asia that will assist the Board in ensuring effective integration of the Group's initiatives to address sustainability issues. The main contact person for this Sustainability Report is the Group's Financial Controller, Mr Steven Ooi.

In the hotel business, safeguarding of personal data is of great importance to the Group's operations. The Group manages personal data in compliance with the Personal Data Protection Act ("PDPA"). We are also in compliance with local data protection and privacy laws in our operations in and out of Singapore. We have a Whistle-blowing Policy for employees to raise concerns, with a zero tolerance to corrupt practices.

We have policies and practices designed to enhance the employees' ability to deliver results consistently, growing the business and fulfilling the expectations of stakeholders at all times. Our Employee Handbook is an overview of the management expectations of employees and serves as a day-to-day guide to employees on the policies and practices of the Group. We have Standard Operating Procedures ("SOP") to help ensure that the hotels comply with the system-wide standards. We are also looking at improving a more comprehensive framework in assessing the individual hotel's level of compliance to the policies and procedures.

5.1 Shareholders

The Shareholders have regular, effective and timely communication with the Board through Annual General Meetings, Extraordinary General Meetings, and investor relations meetings to manage stakeholders' concerns and together aim for a long-term success in business while effectively participate in the move for sustainability through the corporate issues of environment, social and economic. We also have a Company website for communication with our shareholders.

5.2 Board of Directors ("BOD")

While the committees have the authority to examine particular issues and report decisions and recommendations to the Board, the ultimate responsibility for the final decision on all matters lies with the Board. The Board is collectively responsible for the long-term success of the Group and also in providing guidance on the material ESG factors that impact the Group's activities.

The BOD conducts, at least twice a year, regular scheduled meetings and additional or ad-hoc meetings are convened when deemed necessary to address significant matters that may arise and to ensure the management move towards the Group's sustainability strategy.

The Board of Directors comprises 3 Independent Directors and 1 Non-independent Director/Chairman. The Chairman specialises in mergers and acquisitions, corporate restructuring and hotel ownership and management. The 3 independent directors are experienced in accounting, finance, strategic planning, business development, risk management, law and shipping.

5.3 Management

The Management of Travelodge is led by an experienced team in hotel management, hotel investment, hotel brokerage and hotel fund management.

SUSTAINABILITY REPORT

Year ended 30 June 2018

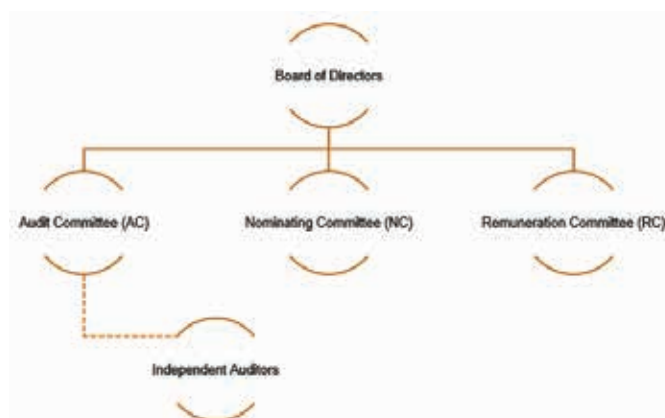


Figure 5

APPENDIX 1: UNIVERSAL STANDARDS

GRI No.	Description	References
GENERAL DISCLOSURES		
Organisational profile		
102-1	Name of the organisation	Page 15
102-2	Activities, brands, products, and services	Page 15
102-3	Location of headquarters	Page 15
102-4	Location of operations	Page 15
102-5	Ownership and legal form	Page 56
102-6	Markets served	Page 15
102-7	Scale of the organisation	Page 15, 52–53
102-8	Information on employees and other workers	Page 23
102-9	Supply chain	Page 20
102-10	Significant changes to the organisation and its supply chain	Page 20
102-11	Precautionary Principle or approach	Page 101
102-12	External initiatives	Page 29
102-13	Membership of associations	Page 21
Strategy		
102-14	Statement from senior decision-maker	Page 2
Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	Page 24

SUSTAINABILITY REPORT

Year ended 30 June 2018

GRI No.	Description	References
Governance		
102-18	Governance structure	Page 24–25
Stakeholder engagement		
102-40	List of stakeholder groups	Page 17–18
102-41	Collective bargaining agreements	N/A – No Collective Bargaining Agreement
102-42	Identifying and selecting stakeholders	Page 17–18
102-43	Approach to stakeholder engagement	Page 17–18
102-44	Key topics and concerns raised	Page 17–18
Reporting practice		
102-45	Entities included in the consolidated financial statements	Page 85–86
102-46	Defining report content and topic boundaries	Page 15
102-47	List of material topics	Page 17
102-48	Restatements of information	N/A – First sustainability report
102-49	Changes in reporting	N/A – First sustainability report
102-50	Reporting period	Page 2
102-51	Date of most recent report	N/A – First sustainability report
102-52	Reporting cycle	Page 15
102-53	Contact point for questions regarding the report	Page 24
102-54	Claims of reporting in accordance with the GRI Standards	Page 15
102-55	GRI content index	Page 25
102-56	External assurance	N/A – First sustainability report
MANAGEMENT APPROACH		
103-1	Explanation of the material topic and its boundary	Page 16–17
103-2	The management approach and its components	Page 19–20
103-3	Evaluation of the management approach	Page 19–20

SUSTAINABILITY REPORT

Year ended 30 June 2018

APPENDIX 2: SPECIFIC STANDARDS

GRI No.	Description	References
ENVIRONMENTAL		
<i>Energy 2016</i>		
302-4	Reduction of energy consumption	Page 22
<i>Water and Effluents 2018</i>		
303-5	Water consumption	Page 22
SOCIAL		
<i>Occupational Health and Safety</i>		
403-1	Occupational health and safety management system	Page 23
403-5	Worker training on occupational health and safety	Page 23
403-8	Workers covered by an occupational health and safety management system	Page 23
403-9	Work-related injuries	Page 23
403-10	Work-related ill health	Page 23
<i>Training and Education</i>		
404-3	Percentage of employees receiving regular performance and career development reviews	Page 23

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

Mr. Tan Kok Hiang*Chairman***Mr. Winston Seow Han Chiang****Mr. Ong Kok Wah**

NOMINATING COMMITTEE

Mr. Winston Seow Han Chiang*Chairman***Mr. Tan Kok Hiang****Mr. Ong Kok Wah**

REMUNERATION COMMITTEE

Mr. Ong Kok Wah*Chairman***Mr. Tan Kok Hiang****Mr. Winston Seow Han Chiang**

COMPANY SECRETARY

Ms Shirley Lim Guat Hua

REGISTERED OFFICE

10 Anson Road, #29-07

International Plaza

Singapore 079903

Tel: 6221 4665

INDEPENDENT AUDITOR

KPMG LLP**Public Accountants and Chartered
Accountants, Singapore**

16 Raffles Quay, #22-00

Hong Leong Building

Singapore 048581

Partner in charge: **Mr. Chin Bo Wui**

Date of appointment: Since financial year 2018

PRINCIPAL BANKERS

DBS Bank**United Overseas Bank Limited**

SHARE REGISTRAR

B.A.C.S. Private Limited

8 Robinson Road, #03-00

ASO Building

Singapore 048544

CONTINUING SPONSOR

RHT Capital Pte. Ltd.

9 Raffles Place

#29-01 Republic Plaza Tower 1

Singapore 048619

REPORT ON CORPORATE GOVERNANCE

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

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

BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1: Effective Board to lead and control the company

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

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

- (a) leading and setting overall business directions and objectives of the Group;
- (b) approving the Group’s strategic plans, major investments and divestments and funding requirements;
- (c) reviewing the performance of the business and approving the release of the financial results announcement of the Group to shareholders;
- (d) overseeing the processes for financial reporting and statutory compliance;
- (e) providing guidance in the overall management of the business, affairs of the Group and monitoring the performance of Management;
- (f) establishing a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of shareholders’ interest and the Company’s assets; and
- (g) setting the Company’s values and standards and ensuring that the obligations to the shareholders and other stakeholders are understood.

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

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

- (a) Audit Committee (“**AC**”)
- (b) Nominating Committee (“**NC**”)
- (c) Remuneration Committee (“**RC**”)

REPORT ON CORPORATE GOVERNANCE

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

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

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

The number of Board and Board committee meetings held during the financial year ended 30 June 2018 ("FY2018"), as well as the attendance of each Director at these meetings is set out below:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
Total no. of meeting held in FY2018	2	2	1	1
	No. of meetings attended	No. of meetings attended	No. of meetings attended	No. of meetings attended
Mr. Aw Cheok Huat	2	2*	1*	1*
Mr. Tan Kok Hiang	2	2	1	1
Mr. Winston Seow Han Chiang	2	2	1	1
Mr. Ong Kok Wah	2	2	1	1

* Attended by invitation.

Specific matters which requires Board's approval include:

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

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

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

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

REPORT ON CORPORATE GOVERNANCE

BOARD COMPOSITION AND GUIDANCE

Principle 2: Independent element on the Board

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

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

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

For FY2018, the NC has reviewed the declaration of independence provided by each Director and has confirmed the independence of the Independent Directors in accordance with the Code.

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

The Non-Executive Director and the Independent Directors participate actively during Board meetings, in particular, ensuring that the strategies proposed by the Management are constructively challenged, fully discussed and examined. They play an important part in reviewing the performance of Management in meeting agreed goals and objectives and in monitoring the reporting of performance.

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

Principle 3: Clear division of responsibilities to ensure a balance of power and authority

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

The Company is an investment holding company and its core business is in its wholly-owned subsidiary, Travelodge Hotels (Asia) Pte. Ltd. ("**TLA**"), which is managed by the two executive directors of TLA, Mr. Aw Ming-Yao Marcus and Mr. Stephen James Burt and its 51% subsidiaries, GMT Bravo Pte. Ltd. and GMT Charlie Pte. Ltd. (collectively "**GMT**"), which are managed by the general manager of GMT, Mr. Ng Yeow Chong. The Board currently believes there is no necessity to appoint a CEO to manage the Company's business.

REPORT ON CORPORATE GOVERNANCE

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

The Chairman is responsible for:

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

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

BOARD MEMBERSHIP/BOARD PERFORMANCE

Principle 4: Formal and transparent process for appointment of new directors

Principle 5: Formal assessment of effectiveness of the Board and contributions by each director

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

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

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

- (a) makes recommendations to the Board on the appointment of new executive and non-executive directors including making recommendations on the compositions of the Board;
- (b) reviews the Board structure, size and composition and makes recommendations to the Board;
- (c) determines the process for search, nomination, selection and appointment of new board members;
- (d) determines if a Director is independent on an annual basis; and
- (e) assess the effectiveness of the Board as a whole.

REPORT ON CORPORATE GOVERNANCE

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

- (a) the NC evaluates the balances of skill, knowledge and experience of the Board and, in light of such evaluation and in consultation with the Board, prepares a description of the role and the essential and desirable competencies for a particular appointment;
- (b) the NC may engage consultants to undertake research on, or assess, candidates for new position on the Board;
- (c) the NC meets with shortlisted candidate(s) to assess their suitability and to ensure that the candidate(s) are aware of the expectations; and
- (d) the NC makes recommendations to the Board for approval.

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

Regulation 91 of the Company's Constitution provides that the Directors shall have power from time to time and at any time to appoint additional Directors, provided always that the total number of Directors shall not exceed the prescribed maximum (if any). A Director so appointed shall retire from office at the close of the next annual general meeting, but shall be eligible for re-election.

There is no alternate Director on the Board.

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

For the financial year under review, Mr. Tan Kok Hiang will retire in accordance with Regulation 109 of the Company's Constitution.

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

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

For FY2018, the NC has performed the duties as required under its Terms of Reference. In particular, the NC was of the view that each Director had adequately carried out his duties as a Director and had contributed effectively to the Board based on the assessment done on the contribution of individual Director.

REPORT ON CORPORATE GOVERNANCE

The NC has recommended to the Board that Mr. Tan Kok Hiang be nominated for re-election or re-appointment, as applicable, at the forthcoming AGM. The Board has accepted the recommendations and the retiring Director will be offering himself for re-election or re-appointment.

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

ACCESS TO INFORMATION

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

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

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

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

REMUNERATION MATTERS

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

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

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

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

- (a) reviews and recommends to the Board a framework of remuneration for the Board and senior management of the Group and determines the remuneration packages and terms of employment; and
- (b) reviews and recommend to the Board for approval by shareholders, the remuneration of non-executive directors.

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

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

REPORT ON CORPORATE GOVERNANCE

Principle 8: Level and mix of remuneration

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

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

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

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

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

Principle 9: Disclosure on remuneration

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

Remuneration of Non-Executive Directors

The aggregate fees payable to Non-Executive Directors for services in all capacities for the financial year ended 30 June 2018 is set out in the table below.

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

Remuneration of Key Management Personnel

The breakdown of the remuneration (in percentage terms) of the top five key management personnel for the financial year ended 30 June 2018 is set out in the table below.

REPORT ON CORPORATE GOVERNANCE

Name	Remuneration (%) ⁽¹⁾	Provident Fund (%) ⁽²⁾	Total Cash & Benefits (%) ⁽³⁾
Remuneration Band Between S\$250,000 to S\$500,000			
Aw Ming-Yao Marcus (appointed on 4 July 2016)	93.11	6.89	100
Stephen James Burt (appointed on 22 September 2016)	99.96	0.04	100

Notes:

(1) Remuneration refers to base salary and variable bonus earned for the financial year ended 30 June 2018.

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

(3) Total cash & benefits is the sum of fixed remuneration, variable bonus, provident fund and benefits for the financial year ended 30 June 2018.

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

The aggregate total remuneration paid to the above is S\$567,337 for the financial year ended 30 June 2018.

There is only one employee, Mr. Aw Ming-Yao Marcus, who is son of Mr. Aw Cheek Huat and whose remuneration is between S\$250,000 to S\$500,000 during FY2018.

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

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

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

ACCOUNTABILITY AND AUDIT

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

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

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

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

REPORT ON CORPORATE GOVERNANCE

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

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: Sound system of risk management and internal controls

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

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

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

- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group’s operations and finances; and
- (b) on the adequacy and the effectiveness of the Group’s risk management systems and internal control systems.

Based on the internal controls established and maintained by the Group, work performed by the external auditors and internal auditors, and reviews performed by the Management, the Audit Committee and the Board are of the opinion that the Group’s internal controls, including financial, operational, compliance, and information technology controls and risk management system were adequate and effective for the financial year ended 2018.

AUDIT COMMITTEE

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

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

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

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

- (a) reviews the Company’s financial statements and any public financial reporting with Management;
- (b) reviews with the external auditors their audit scope and management letter;
- (c) reviews with the external auditors the impact of any new or proposed changes in accounting principles or regulatory requirements on financial statements of the Company and the Group;
- (d) reviews with external auditors the adequacy and effectiveness of the Group’s internal control systems;
- (e) assess if Management has the relevant expertise to manage risk exposure adequately; and
- (f) reviews Interested Person Transactions and ensures that such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company or its minority shareholders.

REPORT ON CORPORATE GOVERNANCE

The AC meets at least twice a year to perform and carry out its duties and functions which are set out on page 45 of the Annual Report. The AC also meets with the external auditors without the presence of Management at least once a year.

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

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

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

The aggregate amount of fees paid to the external auditors for the financial year ended 30 June 2018 are as follows:

Services	KPMG LLP Singapore (S\$)	Other firms of Certified Public Accountants (S\$)
Statutory audit fees	82,000	Nil
Non-audit fees	Nil	Nil

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

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

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

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

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

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

REPORT ON CORPORATE GOVERNANCE

INTERNAL AUDIT

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

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

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

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

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

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Shareholder Rights

Principle 15: Communication with Shareholders

Principle 16: Conduct of Shareholder Meeting

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

Information is communicated to shareholders on a timely basis through:

- (a) annual reports and circulars;
- (b) announcements released through SGXNET;
- (c) notices of general meetings; and
- (d) press releases.

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

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

REPORT ON CORPORATE GOVERNANCE

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

The Board does not have a fixed dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit, growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth, general business condition and other factors the Board may deem appropriate. No dividend is declared for FY2018 in order to conserve and build capital. Any dividend payouts are clearly communicated to shareholders in public announcements and via announcements on SGXNet when the Company discloses its financial results.

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

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

DEALINGS IN COMPANY'S SECURITIES

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

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

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

INTERESTED PERSON TRANSACTIONS

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

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

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

REPORT ON CORPORATE GOVERNANCE

MATERIAL CONTRACTS

The Group confirms that there were no material contracts or loans entered into between the Company or any of its subsidiaries, involving the interests of any Director or controlling shareholder, which are either still subsisting at the end of FY2018 or if not then subsisting, entered into since the end of the previous financial year.

CATALIST SPONSORS

No non-sponsor fees were paid to the Company's Sponsor, RHT Capital Pte. Ltd., for FY2018.

DIRECTORS' STATEMENT

Year ended 30 June 2018

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 30 June 2018.

In our opinion:

- (a) the financial statements set out on pages 52 to 119 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 2018 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

Directors

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

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

Directors' interests

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

Name of directors	Direct interests			Deemed interests		
	At 1.7.2017	At 30.6.2018	At 21.7.2018	At 1.7.2017	At 30.6.2018	At 21.7.2018
The Company						
Ordinary shares ('000)						
Aw Cheek Huat	163,270	163,270	163,270	546,400 ⁽ⁱ⁾	576,973 ⁽ⁱ⁾	476,973 ⁽ⁱ⁾
Ong Kok Wah	35,600	35,600	35,600	—	—	—
Tan Kok Hiang	800	800	800	—	—	—

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

DIRECTORS' STATEMENT

Year ended 30 June 2018

Directors' interests (Continued)

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

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

ICP Performance Share Plan

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

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

Ong Kok Wah (Chairman and Independent, Non-Executive Director)

Tan Kok Hiang (Independent, Non-Executive Director)

Winston Seow Han Chiang (Independent, Non-Executive Director)

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

Information regarding the Scheme is set out below.

Principal terms of the Scheme

(i) Participants

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

(ii) Size of the Scheme

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

DIRECTORS' STATEMENT

Year ended 30 June 2018

Performance Share Plan (Continued)

Principal terms of the Scheme (Continued)

(iii) Grant of Awards

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

(iv) Acceptance of Awards

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

(v) Termination of Awards

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

(vi) Duration of the Scheme

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

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

Audit Committee

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

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

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

DIRECTORS' STATEMENT

Year ended 30 June 2018

Audit Committee (Continued)

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

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

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

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

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

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

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

DIRECTORS' STATEMENT

Year ended 30 June 2018

Auditors

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

On behalf of the Board of Directors

Aw Cheok Huat

Director

Tan Kok Hiang

Director

28 September 2018

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ICP Ltd. (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2018, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 52 to 119.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

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

Key audit matters

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the audit of the financial statements (Continued)

Key audit matters (Continued)

Valuation of intangible – trademarks (S\$4.4 million)
(Refer to Note 5 to the financial statements)

The key audit matter

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 is the primary asset in the Hotel Development CGU.

Management applied the discounted cash flow method in determining the value-in-use of the trademarks. Management judgement is required in estimating the forecasted revenue of the hotels, which includes the following key assumptions: the average growth rates for the number of hotel rooms being operated, average room occupancy rate and discount rates. Changes in these estimates will impact the value-in-use of the trademarks.

How the matter was addressed in our audit

We evaluated the key assumptions used in determining the value-in-use 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 to actual progress to assess the reasonableness of the forecasted revenue. We independently tested the discount rates applied by comparing to observable market data.

Valuation of goodwill and vessels (inclusive of dry-docking expenditures) (S\$1.2 million and S\$13.4 million respectively)

(Refer to Note 5 to the financial statements)

The key audit matter

The Group’s vessel chartering segment comprises two cash-generating units (“CGUs”), namely GMT Bravo Pte. Ltd. and GMT Charlie Pte. Ltd. As at 30 June 2018, the net assets of the two CGUs, including allocated goodwill, were S\$4.7 million and S\$4.4 million respectively. These CGUs are tested for impairment annually.

The recoverable amounts of the CGUs, including allocated goodwill, are determined using the value-in-use approach, which is based on the discounted cash flow estimated by management. In determining the recoverable amounts, management judgement is required in estimating the future vessel charter revenues and discount rates of the CGUs. Changes in these estimates will impact the value-in-use of the CGUs.

How the matter was addressed in our audit

We evaluated the key assumptions used in determining value-in-use of the vessel chartering CGUs based on our understanding of the Group’s vessel chartering business and comparing the estimates against historical trends. We discussed with management to understand the Group’s plans for the CGUs. We independently tested the discount rates applied by comparing to market observable data.

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the audit of the financial statements (Continued)

Other information

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

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the audit of the financial statements (Continued)

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

INDEPENDENT AUDITORS' REPORT

Members of the Company
ICP Ltd.

Report on the audit of the financial statements (Continued)

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

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 auditors' report is Chin Bo Wui, Darren.

KPMG LLP

*Public Accountants and
Chartered Accountants*

Singapore

28 September 2018

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2018

		Group		Company	
	Note	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
Assets					
Property, plant and equipment	4	43,861	14,139	5	3
Intangible assets	5	5,580	5,570	1	–
Subsidiaries	6	–	–	9,765	9,765
Associate and joint venture	7	28	21	–	–
Available-for-sale financial assets	8	1,106	1,055	1,106	1,055
Other receivables	9	1,473	332	–	–
Club membership		–	10	–	–
Non-current assets		52,048	21,127	10,877	10,823
Trade and other receivables	9	3,671	874	30,833	17,172
Inventories		88	26	–	–
Cash and cash equivalents	10	4,544	21,895	1,560	19,484
Current assets		8,303	22,795	32,393	36,656
Total assets		60,351	43,922	43,270	47,479
Equity					
Share capital	11	83,524	83,524	83,524	83,524
Reserves	12	(56,414)	(53,287)	(50,728)	(50,117)
Equity attributable to owners of the Company		27,110	30,237	32,796	33,407
Non-controlling interests	14	4,467	4,285	–	–
Total equity		31,577	34,522	32,796	33,407
Liabilities					
Loans and borrowings	15	18,280	2,580	–	–
Amounts due to non-controlling interests (non-trade)	16	6,005	1,400	–	–
Deferred tax liability	17	1,037	1,010	–	–
Non-current liabilities		25,322	4,990	–	–
Loans and borrowings	15	1,080	3,080	–	2,000
Trade and other payables	18	2,372	1,330	10,474	12,072
Current liabilities		3,452	4,410	10,474	14,072
Total liabilities		28,774	9,400	10,474	14,072
Total equity and liabilities		60,351	43,922	43,270	47,479

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2018

		Group	
	Note	2018 S\$'000	2017 S\$'000
Revenue	19	3,180	2,082
Cost of sales		(1,485)	(1,298)
Gross profit		1,695	784
Other income		70	14
Administrative expenses		(4,302)	(3,276)
Other expenses		(10)	(148)
Results from operating activities		(2,547)	(2,626)
Finance income	20	91	359
Finance costs	20	(530)	(149)
Net finance (cost)/income		(439)	210
Share of results of equity-accounted investees, net of tax	7	29	17
Loss before tax	21	(2,957)	(2,399)
Tax expenses	22	(27)	(230)
Loss for the year		(2,984)	(2,629)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value gain/(loss) on available-for-sale financial assets		39	(99)
Other comprehensive income for the year, net of tax		39	(99)
Total comprehensive income for the year		(2,945)	(2,728)
Loss for the year attributable to:			
Owners of the Company		(3,166)	(2,721)
Non-controlling interests		182	92
		(2,984)	(2,629)
Total comprehensive income for the year attributable to:			
Owners of the Company		(3,127)	(2,820)
Non-controlling interests	14	182	92
		(2,945)	(2,728)
Loss per share			
Basic and diluted (cents per share)	24	(0.12)	(0.10)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2018

					Equity attributable to	Non-	
		Share	Fair value	Other	accumulated	owners of the	Non-
	Note	capital	reserve	reserve	losses	Company	controlling
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	interests
							Total
							equity
							S\$'000
Group							
At 1 July 2016		82,824	–	(2,059)	(48,408)	32,357	4,193
Total comprehensive income for the year							
(Loss)/Profit for the year		–	–	–	(2,721)	(2,721)	92
Other comprehensive income for the year							
Net change in fair value of available-for-sale financial assets		–	(99)	–	–	(99)	–
Total comprehensive income for the year		–	(99)	–	(2,721)	(2,820)	92
Transactions with owners, recognised directly in equity							
Contribution by owners							
Issuance of new ordinary shares		700	–	–	–	700	–
Total contributions by owners		700	–	–	–	700	–
At 30 June 2017		<u>83,524</u>	<u>(99)</u>	<u>(2,059)</u>	<u>(51,129)</u>	<u>30,237</u>	<u>4,285</u>
At 1 July 2017		83,524	(99)	(2,059)	(51,129)	30,237	4,285
Total comprehensive income for the year							
(Loss)/Profit for the year		–	–	–	(3,166)	(3,166)	182
Other comprehensive income for the year							
Net change in fair value of available-for-sale financial assets		–	39	–	–	39	–
Total comprehensive income for the year		–	39	–	(3,166)	(3,127)	182
At 30 June 2018		<u>83,524</u>	<u>(60)</u>	<u>(2,059)</u>	<u>(54,295)</u>	<u>27,110</u>	<u>4,467</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2018

	Group	
Note	2018 S\$'000	2017 S\$'000
Cash flows from operating activities		
Loss before tax	(2,957)	(2,399)
Adjustments for:		
Depreciation for the year	1,337	1,322
Amortisation for the year	65	74
Impairment loss on property, plant and equipment	–	130
Impairment loss on club membership	10	18
Coupon income from available-for-sale financial assets	–	(73)
Allowance for doubtful receivables	–	29
Interest expense on financial liabilities measured at amortised cost	495	149
Interest income on bank deposits	(91)	(240)
Share of results of equity-accounted investees, net of tax	(29)	(17)
Unrealised foreign exchange gain	–	(1)
	(1,170)	(1,008)
Changes in working capital:		
Inventories	(62)	(20)
Trade and other receivables	(1,769)	(619)
Trade and other payables	975	302
Cash used in operations	(2,026)	(1,345)
Interest paid	(426)	(149)
Net cash used in operating activities	(2,452)	(1,494)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(31,059)	(157)
Acquisition of intangible assets	(75)	(115)
Dividend income received	22	–
Investment in available-for-sale financial assets	(12)	(288)
Investment income from available-for-sale financial assets	–	73
Interest received	91	240
Non-trade amount due from an associate	(1,141)	(332)
Payment in advance for renovation work-in-progress	(1,028)	–
Return of investment capital from available-for-sale financial assets	–	126
Withdrawal/(pledged) of fixed deposits	2,000	(2,000)
Withdrawal of fixed deposits with tenor of more than 3 months placed with financial institutions	15,734	2,996
Net cash (used in)/generated from investing activities	(15,468)	543
Cash flows from financing activities		
Proceeds from issuance of new ordinary shares	–	700
Proceeds from loans and borrowings	16,780	2,000
Repayment of loans and borrowings	(3,080)	(1,080)
Proceeds from amounts due to non-controlling interests	4,605	–
Net cash generated from financing activities	18,305	1,620
Net increase in cash and cash equivalents	385	669
Cash and cash equivalents at beginning of the financial year	3,664	2,994
Effects of exchange rate fluctuations on cash held	(2)	1
Cash and cash equivalents at end of the financial year	4,047	3,664

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 September 2018.

1 Domicile and activities

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

The financial statements of the Group as at and for the year ended 30 June 2018 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) and the Group’s investments in associate and joint venture.

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

2 Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

2 Basis of preparation (Continued)

2.4 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 adjustments within the next financial year are discussed in Note 29.

Measurement of fair values

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

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

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

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

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

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

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

2.5 Changes in accounting policies

In the current financial year, the Group has adopted all the new and revised FRSs that are relevant to its operations and effective for annual periods beginning on 1 July 2017. The adoption of these new and revised FRSs did not result in substantial changes to the Group's accounting policies and has no material effect on the amounts reported for the current and prior periods.

The Group has applied the following amendments for the first time for the annual period beginning on 1 April 2017:

- *Disclosure Initiative* (Amendments to FRS 7);
- *Recognition of Deferred Tax Assets for Unrealised Losses* (Amendments to FRS 12); and
- *Clarification of the scope of FRS 112* (Improvements to FRSs 2016).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

2 Basis of preparation (Continued)

2.5 Changes in accounting policies (Continued)

Other than the amendments to FRS 7, the adoption of these amendments did not have any impact on the current or prior period and is not likely to affect future periods.

Disclosure Initiative (Amendments to FRS 7)

From 1 July 2017, as a result of the amendments to FRS 7, the Group has provided additional disclosure in relation to the changes in liabilities arising from financing activities for the year ended 30 June 2018. Comparative information has not been presented (see Note 15).

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in Note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

(i) Business combinations

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

The Group measures goodwill at the date of acquisition as:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.1 Basis of consolidation (Continued)

(i) **Business combinations** (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.

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

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

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

(ii) **Subsidiaries**

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

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

(iii) **Loss of control**

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.1 Basis of consolidation (Continued)

(iv) *Investments in equity-accounted investees*

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

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

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

(v) *Transactions eliminated on consolidation*

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.2 Foreign currency

(i) *Foreign currency transactions*

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

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

(ii) *Foreign operations*

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.3 Financial instruments

(i) *Non-derivative financial assets*

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

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

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a 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.

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

Loans and receivables

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

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

Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.3 Financial instruments (Continued)

(i) *Non-derivative financial assets* (Continued)

Available-for-sale financial assets

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

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

(ii) *Non-derivative financial liabilities*

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

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

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a 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.

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) *Share capital*

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.4 Property, plant and equipment

(i) *Recognition and measurement*

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

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

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

Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

(ii) *Subsequent costs*

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.4 Property, plant and equipment (Continued)

(iii) Depreciation

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

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Freehold land is not depreciated.

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

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

Hotel property	–	50 years
Vessels	–	23 years
Dry-docking expenditures	–	2 to 5 years
Renovations	–	3 to 5 years
Furniture and fittings	–	5 years
Computer equipment	–	3 years

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

3.5 Intangible asset and goodwill

(i) Goodwill

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

Subsequent measurement

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.5 Intangible asset and goodwill (Continued)

(ii) Trademarks

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

(iii) Other intangibles assets

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

(iv) Subsequent expenditure

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

(v) Amortisation

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

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

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

3.6 Club membership

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.7 Inventories

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

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

3.8 Impairment

(i) *Non-derivative financial assets*

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

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment. The Group considers a decline of 20% to be significant and a period of 9 months to be prolonged.

Loans and receivables

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.8 Impairment (Continued)

(i) *Non-derivative financial assets* (Continued)

Loans and receivables (Continued)

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

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed. The amount of the reversal is recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in OCI.

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.

(ii) *Non-financial assets*

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.8 Impairment (Continued)

(ii) **Non-financial assets** (Continued)

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 THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.9 Employee benefits

(i) **Defined contribution plans**

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

(ii) **Short-term employee benefits**

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

(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 2018 and 30 June 2017, there is no share-based payment transactions with the Group's employees.

3.10 Revenue recognition

(i) **Charter income**

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

(ii) **Sale of food and beverages**

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.10 Revenue recognition (Continued)

(iii) *Hotel fees income*

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

(iv) *Hotel property income*

Hotel room revenue is recognised based on room occupancy while other hotel revenue are recognised when the services are rendered to the customers.

(v) *Rental income*

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease.

3.11 Leases

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

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.12 Finance income and costs

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

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

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

3.13 Tax expense

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the 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.

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investment in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.13 Tax expense (Continued)

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 Group are the chief operating decision maker. All operating segments' operating results are reviewed regularly by the Executive Directors of the Group 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 Group 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 THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.16 Full convergence with International Financial Reporting Standards and adoption of new standards

Applicable to 2019 financial statements

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 30 June 2019 will be prepared in accordance with SFRS(I). As a result, this will be the last set of financial statements prepared under the current FRS.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*.

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

- SFRS(I) 15 *Revenue from Contracts with Customers* and Amendments to SFRS(I) 15 **Clarifications** to SFRS(I) 15;
- SFRS(I) 9 *Financial Instruments*;
- *Classification and Measurement of Share-based Payment Transactions* (Amendments to SFRS(I) 2);
- *Transfers of Investment Property* (Amendments to SFRS(I) 1-40);
- *Deletion of short-term exemptions for first-time adopters* (Amendments to SFRS(I) 1);
- *Measuring an Associate or Joint Venture at Fair Value* (Amendments to SFRS(I) 1-28);
- Applying SFRS(I) 9 *Financial Instruments* with SFRS(I) 4 *Insurance Contracts* (Amendments to SFRS(I) 4); and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

The Group does not expect the application of the above standards and interpretations to have a significant impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.16 Full convergence with International Financial Reporting Standards and adoption of new standards (Continued)

Summary of quantitative impact

The Group is currently finalising the transition adjustments. The estimated impact may be subject to changes arising from ongoing analysis, until the Group adopts SFRS(I) 1, SFRS(I) 15 and SFRS(I) 9.

SFRS(I) 1

When the Group adopts SFRS(I) in 2019, the Group will apply SFRS(I) 1 with 1 July 2017 as the date of transition for the Group and the Company. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2019, restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. The Group does not expect the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 to have any significant impact on the financial statements.

SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group plans to adopt SFRS(I) 15 in its financial statements for the year ending 30 June 2019, using the retrospective approach. As a result, the Group will apply all of the requirements of SFRS(I) 15 retrospectively, except as described below, and the comparative period presented in the 2019 financial statements will be restated.

During the year, the Group performed an initial assessment of the impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.16 Full convergence with International Financial Reporting Standards and adoption of new standards (Continued)

Summary of quantitative impact (Continued)

SFRS(I) 15 (Continued)

Based on the Group's existing revenue arrangements, the Group expects certain revenue transactions (i.e. sales of food and beverages, hotel fees income and hotel property income) to constitute a single performance obligation. The Group does not expect a significant impact on the timing of revenue recognition.

Based on the Group's ongoing assessment, the Group currently does not expect any significant adjustments upon adoption of SFRS(I) 15.

SFRS(I) 9

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 will generally be applied by the Group retrospectively, except as described below.

- The Group plans to take advantage of the exemption in SFRS(I) 1 allowing it not to restate comparative information in the 2019 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 July 2018.
- The following assessments have to be made on the basis of facts and circumstances that existed at 1 July 2018:
 - The determination of the business model within which a financial asset is held.
 - The determination of whether contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
 - The designation of an investment in equity instruments that is not held for trading as at fair value through other comprehensive income (FVOCI).

The expected impact on adoption of SFRS(I) 9 are described below. The information below reflects the Group's expectation of the implications arising from changes in the accounting treatment, however, the actual tax effect may change when the transition adjustments are finalised.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.16 Full convergence with International Financial Reporting Standards and adoption of new standards (Continued)

Summary of quantitative impact (Continued)

SFRS(I) 9 (Continued)

Classification and measurement

The Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under SFRS(I) 9.

Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under SFRS(I) 9.

Available-for-sale unquoted equity securities and fund investments are held as long-term investments. For these, the Group expects to elect to present subsequent changes in fair value in OCI. Under SFRS(I) 9, only dividend income is recognised in profit or loss. Any subsequent fair value changes are recognised in OCI and will not be reclassified to profit or loss even upon divestment.

Impairment

SFRS(I) 9 replaces the current 'incurred loss' model with a forward-looking expected credit loss (ECL) model. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and certain loan commitments and financial guarantee contracts.

Under SFRS(I) 9, loss allowances of the Group will be measured on either of the following basis:

- 12-month ECLs. These are ECLs that result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs. These are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group plans to apply the simplified approach and record lifetime ECL on all trade receivables arising from the application of SFRS(I) 9. The Group is still currently assessing the impact from the new impairment model.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.16 Full convergence with International Financial Reporting Standards and adoption of new standards (Continued)

Applicable to financial statements for the year 2020 and thereafter

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

Applicable to 2020 financial statements

- SFRS(I) 16 *Leases*;
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*;
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28); and
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9).

Mandatory effective date deferred

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

The Group is still in the process of assessing the impact of the new SFRS(I)s, amendments to and interpretations of SFRS(I)s on the financial statements. The Group's preliminary assessment of SFRS(I) 16, which is expected to have a more significant impact on the Group, is as described below.

SFRS(I) 16

SFRS(I) 16 replaces existing lease accounting guidance. SFRS(I) 16 is effective for annual periods beginning on or after 1 July 2019, with early adoption permitted if SFRS(I) 15 is also applied. SFRS(I) 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The Group plans to adopt the standard when it becomes effective in 2020 and expects to apply the standard using the modified retrospective approach. The Group also expects the ROU assets recognised at date of initial application to be equal to their lease liabilities. The Group is likely to elect the practical expedient not to reassess whether a contract contains a lease at the date of initial application, 1 July 2019. Accordingly, existing lease contracts that are still effective on 1 July 2019 continue to be accounted for as lease contracts under SFRS(I) 16. The Group has performed a preliminary assessment of the impact on its financial statements based on its existing operating lease arrangements (refer to note 26).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

3 Significant accounting policies (Continued)

3.16 Full convergence with International Financial Reporting Standards and adoption of new standards (Continued)

Mandatory effective date deferred (Continued)

SFRS(I) 16 (Continued)

Until 2019, the approximate financial impact of the standard is unknown due to factors that impact calculation of lease liabilities such as discount rate, expected term of leases including renewal options and exemptions for short-term leases. The Group will continue to assess its portfolio of leases to calculate the impending impact of transition to the new standard.

The Group as lessee

The Group expects its existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. The operating lease commitments on an undiscounted basis amount to approximately 0.3% of the consolidated total assets and 0.7% of consolidated total liabilities. Under the new standard, remaining lease payments of the operating leases will be recognised at their present value discounted using appropriate discount rate. In addition, the nature of expenses related to those leases will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

The Group as lessor

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

The Group plans to adopt the standard when it becomes effective in 2020. The Group will perform a detailed analysis of the standard, including the transition options and practical expedients in 2019.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

4 Property, plant and equipment

	Freehold land S\$'000	Hotel property S\$'000	Vessels S\$'000	Dry-docking expenditures S\$'000	Renovations S\$'000	Furniture and fittings S\$'000	Computer equipment S\$'000	Total S\$'000
Group								
Cost								
At 1 July 2016	–	–	18,594	1,206	307	13	37	20,157
Additions	–	–	–	68	50	12	27	157
At 30 June 2017	–	–	18,594	1,274	357	25	64	20,314
Additions	17,556	12,865	–	583	1	24	30	31,059
At 30 June 2018	17,556	12,865	18,594	1,857	358	49	94	51,373
Accumulated depreciation and impairment loss								
At 1 July 2016	–	–	4,029	604	78	3	9	4,723
Depreciation for the year	–	–	672	540	88	6	16	1,322
Impairment loss	–	–	–	–	109	7	14	130
At 30 June 2017	–	–	4,701	1,144	275	16	39	6,175
Depreciation for the year	–	93	899	266	58	3	18	1,337
At 30 June 2018	–	93	5,600	1,410	333	19	57	7,512
Carrying amounts								
At 1 July 2016	–	–	14,565	602	229	10	28	15,434
At 30 June 2017	–	–	13,893	130	82	9	25	14,139
At 30 June 2018	17,556	12,772	12,994	447	25	30	37	43,861

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

4 Property, plant and equipment (Continued)

	Computer equipment S\$'000
Company	
Cost	
At 1 July 2016	—
Additions	3
At 30 June 2017	3
Additions	3
At 30 June 2018	6
Accumulated depreciation	
At 1 July 2016	—
Depreciation for the year	—*
At 30 June 2017	—*
Depreciation for the year	1
At 30 June 2018	1
Carrying amounts	
At 1 July 2016	—
At 30 June 2017	3
At 30 June 2018	5

* Less than S\$1,000

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

	Group	
	2018	2017
	S\$'000	S\$'000
– Cost of sales	1,164	1,212
– Administrative expenses	173	110
	1,337	1,322

(ii) The hotel property with net carrying amount of S\$12,772,000 (2017: S\$Nil) is pledged to a bank as a first legal charge over the Group's hotel property to secure term loan facilities (Note 15).

(iii) The vessels with net carrying amount of S\$12,994,000 (2017: S\$13,893,000) are pledged to a bank as existing first priority statutory mortgage over the Group's vessels to secure term loan facilities (Note 15).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

5 Intangible assets

	Software S\$'000	Goodwill S\$'000	Trademark S\$'000	Total S\$'000
Group				
Cost				
At 1 July 2016	209	1,167	4,228	5,604
Additions	31	–	84	115
At 30 June 2017	240	1,167	4,312	5,719
Additions	3	–	72	75
At 30 June 2018	243	1,167	4,384	5,794
Accumulated amortisation				
At 1 July 2016	75	–	–	75
Amortisation for the year	74	–	–	74
At 30 June 2017	149	–	–	149
Amortisation for the year	65	–	–	65
At 30 June 2018	214	–	–	214
Carrying amounts				
At 1 July 2016	134	1,167	4,228	5,529
At 30 June 2017	91	1,167	4,312	5,570
At 30 June 2018	29	1,167	4,384	5,580

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

5 Intangible assets (Continued)

	Software S\$'000
Company	
Cost	
At 1 July 2016	–
Additions	–
At 30 June 2017	–
Additions	3
At 30 June 2018	3
Accumulated amortisation	
At 1 July 2016	–
Amortisation for the year	–
At 30 June 2017	–
Amortisation for the year	2
At 30 June 2018	2
Carrying amounts	
At 1 July 2016	–
At 30 June 2017	–
At 30 June 2018	1

(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	
	2018 S\$'000	2017 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' shareholder on a short-term bareboat charter arrangement.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

5 Intangible assets (Continued)

(i) Goodwill (Continued)

Impairment assessment (Continued)

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

	Growth rates		Pre-tax discount rate	
	2018	2017	2018	2017
	%	%	%	%
GMT Bravo Pte. Ltd.	0	0	10.9	10.7
GMT Charlie Pte. Ltd.	0	0	10.8	10.7

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

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

Sensitivity to change in assumptions

Management has identified that a decrease in the projected charter income by 10% (2017: 12%) or an increase in the pre-tax discount rate by 3% (2017: 2%) would cause the carrying amount of the CGUs to exceed the recoverable amount.

(ii) Trademark rights

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

5 Intangible assets (Continued)

(ii) Trademark rights (Continued)

Impairment assessment

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

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

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

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

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

Sensitivity to change in assumptions

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

6 Subsidiaries

	2018 S\$'000	2017 S\$'000
Unquoted equity shares, at cost	11,511	11,511
Less: Allowance for impairment	(1,746)	(1,746)
Net carrying value	9,765	9,765

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

6 Subsidiaries (Continued)

Details of subsidiaries as at 30 June 2018 are as follow:

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

6 Subsidiaries (Continued)

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

^ Audited by KPMG LLP Singapore

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

7 Associate and joint venture

	Group	
	2018 S\$'000	2017 S\$'000
Investment in associate	—*	—*
Investment in joint venture	28	21
	28	21
Share of results of equity-accounted investees, net of tax	29	17

* Amount less than S\$1,000

Details of associate as at 30 June 2018 are as follow:

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

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

Details of joint venture as at 30 June 2018 are as follow:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

8 Available-for-sale financial assets

	Note	Group		Company	
		2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
Unquoted equity securities		6,266	6,266	–	–
Unquoted fund investments	23	1,106	1,055	1,106	1,055
		7,372	7,321	1,106	1,055
Provision for impairment		(6,266)	(6,266)	–	–
		1,106	1,055	1,106	1,055

Unquoted equity securities

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

Tiaro entered into voluntary administration on 1 April 2015. Accordingly, the Group estimated that the recoverability of their investment in Tiaro to be S\$Nil and a full impairment charge of S\$4,150,000 was recognised in prior years.

In 2016, the Group assessed the financial position of Paragon and the status of its exploration for coal in the Maryborough basin, Queensland, and concluded that there are objective evidence of impairment in the investment in Paragon. The Group estimated the recoverability of their investment in Paragon to be S\$Nil and recognised a full impairment loss of S\$2,116,000 on its investment in Paragon.

As at 30 June 2018 and 2017, management assessed that there were no significant changes to the financial condition of Tiaro and Paragon. On this basis, the Group's investment in the unquoted equity securities continues to be impaired.

Impairment

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

	Group and Company	
	2018 S\$'000	2017 S\$'000
At the beginning and end of the financial year	6,266	6,266

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

8 Available-for-sale financial assets (Continued)

Unquoted fund investments

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

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

9 Trade and other receivables

	Group		Company	
	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
Non-current				
Non-trade amount due from an associate	1,473	332	–	–
Current				
Trade receivables	360	–	–	–
Non-trade amounts due from subsidiaries	–	–	30,633	16,463
Deposits	1,416	615	168	547
Interest receivable	–	130	–	130
Other receivables	1,750	85	37	26
	3,526	830	30,838	17,166
Allowance for doubtful receivables	(29)	(29)	(25)	(25)
Loans and receivables	3,497	801	30,813	17,141
Prepayments	174	73	20	31
	3,671	874	30,833	17,172

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

10 Cash and cash equivalents

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

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

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

11 Share capital

	Company			
	2018		2017	
	No. of shares '000	S\$'000	No. of shares '000	S\$'000
<i>Issued and fully paid ordinary shares, with no par value</i>				
At the beginning and end of the financial year	2,651,689	83,524	2,651,689	83,524

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

12 Reserves

	Group		Company	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Fair value reserve	60	99	60	99
Other reserve	2,059	2,059	–	–
Accumulated losses	54,295	51,129	50,668	50,018
	56,414	53,287	50,728	50,117

Fair value reserve

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

Other reserve

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

13 Share-based payment arrangement

ICP Performance Share Plan

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

Information regarding the Scheme is set out below.

The principal terms of the Scheme are:

(i) Participants

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

13 Share-based payment arrangement (Continued)

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 THE FINANCIAL STATEMENTS

Year ended 30 June 2018

14 Non-controlling interests

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

Name	Principal places of business/Country of incorporation	Ownership interests held by NCI	
		2018	2017
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%	—
MHI MY 1 Sdn. Bhd.	Malaysia	26.7%	—
Geo Hotel Sdn. Bhd.	Malaysia	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 FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies, where applicable.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

14 Non-controlling interests (Continued)

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

15 Loans and borrowings

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

15 Loans and borrowings (Continued)

Terms and debt repayment schedule

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

	Currency	Nominal interest rate %	Year of maturity	Face value S\$'000	Carrying amount S\$'000
Group					
2018					
Floating rate term loans	SGD	2.5% + higher of 3-month swap offer rate or 3-month cost of fund of the lender	2017 to 2020	1,080	1,080
Floating rate term loans	MYR	2.25% over the Bank's prevailing 1 month's effective cost of funds	2023	18,280	18,280
				19,360	19,360
2017					
Floating rate term loans	SGD	2.5% + higher of 3-month swap offer rate or 3-month cost of fund of the lender	2017 to 2020	3,660	3,660
Fixed rate bank loan	SGD	1.8%	2017	2,000	2,000
				5,660	5,660
Company					
2017					
Fixed rate bank loan	SGD	1.8%	2017	2,000	2,000

The term and bank loans are secured over:

- (i) First legal charge over the Group's hotel property with carrying amount of S\$12,772,000 (2017: S\$Nil) (Note 4);
- (ii) Existing first priority statutory mortgage over the Group's vessels with carrying amount of S\$12,994,000 (2017: S\$13,893,000) (Note 4);
- (iii) Existing first priority legal assignment of insurance policies in respect of the Group's vessels;
- (iv) Existing first priority legal assignment of charter contracts and charter income derived by the Group's vessels;

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

15 Loans and borrowings (Continued)

Terms and debt repayment schedule (Continued)

- (v) Corporate guarantee by the Company;
- (vi) Corporate guarantees by non-controlling interests of certain subsidiaries; and
- (vii) Corporate guarantees by a related party of certain subsidiaries through common director.

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

	Liabilities	
	Loans and borrowings	Amounts due to non-controlling interests (non-trade)
	S\$'000	S\$'000
Balance as at 1 July 2017	5,660	1,400
Changes from financing cash flows		
Proceeds from loans and borrowings	16,780	–
Proceeds from amounts due to non-controlling interests	–	4,605
Repayment of loans and borrowings	(3,080)	–
Total changes from financing cash flows	13,700	4,605
Balance as at 30 June 2018	19,360	6,005
		Total S\$'000
		7,060
		16,780
		4,605
		(3,080)
		18,305

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

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

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

During the financial year, the Group has obtained additional advances from non-controlling interests for the acquisition of a hotel property. The advances are interest free and unsecured and not expected to be repayable within the next twelve months from the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

17 Deferred tax liability

Movement in deferred tax balances

	At 1 July 2017 S\$'000	Recognised in profit or loss (Note 22) S\$'000	At 30 June 2017 S\$'000	Recognised in profit or loss (Note 22) S\$'000	At 30 June 2018 S\$'000
Property, plant and equipment	780	230	1,010	27	1,037

18 Trade and other payables

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

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

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

19 Revenue

	Group	
	2018 S\$'000	2017 S\$'000
Charter income	1,763	1,848
Sales of food and beverages	221	191
Hotel fees income	662	19
Hotel property income	458	–
Rental income	57	–
Others	19	24
	3,180	2,082

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

20 Finance income and finance costs

	Group	
	2018	2017
	S\$'000	S\$'000
Interest income on bank deposits	91	240
Coupon income from available-for-sale financial assets		
– investment in unquoted fund investments	–	73
Foreign exchange gain, net	–	46
Finance income	91	359
Interest expense on financial liabilities measured at amortised cost	(495)	(149)
Foreign exchange loss, net	(35)	–
Finance costs	(530)	(149)
Net finance (costs)/income	(439)	210

21 Loss before tax

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

	Group	
	2018	2017
	S\$'000	S\$'000
Audit fees paid and payable to:		
– auditors of the Company	82	87
Non audit fees paid and payable to:		
– other auditor	8	6
Cost of inventories recognised to profit or loss in the year	135	84
Depreciation for the year	1,337	1,322
Amortisation for the year	65	74
Impairment loss on property, plant and equipment	–	130
Impairment loss on club membership	10	18
Allowance for doubtful receivables	–	29
Operating lease expenses	288	269
Employee benefits expense		
Salaries, bonuses and other costs		
– included in cost of sales	52	–
– included in administrative expenses	1,786	1,203
Contributions to defined contribution plans	189	104
	2,027	1,307

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

22 Tax expenses

Tax recognised in profit or loss

		Group	
	Note	2018 S\$'000	2017 S\$'000
Current tax expense			
Current year		-	-
Deferred tax expense			
Origination and reversal of temporary differences		107	70
(Over)/underprovision of deferred tax expense in respect of prior years		(80)	160
	17	27	230
Total tax expense		27	230
Reconciliation of effective tax rate			
Loss before tax		(2,957)	(2,399)
Tax using the Singapore tax rate of 17%		(503)	(408)
Change in unrecognised temporary differences		439	306
Non-deductible expenses		183	168
Tax exempt income		(12)	(2)
(Over)/underprovision of deferred tax expense in respect of prior years		(80)	160
Others		-	6
		27	230

The following temporary differences have not been recognised:

	Group	
	2018 S\$'000	2017 S\$'000
Deductible temporary differences	580	475
Unutilised capital allowances	391	391
Unutilised tax losses	29,148	26,670
	30,119	27,536

Deferred tax assets have not been recognised in respect of the 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 capital allowances and tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the Group entities operate.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

23 Financial risk management

Risk management framework

Overview

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This Note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans and receivables from customers and available-for-sale financial assets.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

23 Financial risk management (Continued)

Risk management framework (Continued)

Credit risk (Continued)

Trade and other receivables

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

Loans and receivables at the end of each reporting period are not past due. As at 30 June 2018, 99.4% (2017: 95.9%) of the Company's loans and receivables comprised non-trade amounts due from subsidiaries. There are no concentration of credit risk of the Group's loans and receivables as at 30 June 2018 and 2017.

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

Impairment

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

	Group		Company	
	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
At beginning of the financial year	29	–	25	–
Impairment loss recognised	–	29	–	25
At end of the financial year	29	29	25	25

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

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of S\$4,544,000 and S\$1,560,000 respectively at 30 June 2018 (2017: S\$21,895,000 and S\$19,484,000 respectively) – these figures represent their maximum credit exposures on these assets.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

23 Financial risk management (Continued)

Risk management framework (Continued)

Liquidity risk

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

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

Exposure to liquidity risk

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

	Cash flows			
	Carrying amount S\$'000	Contractual cash flows S\$'000	Within 1 year S\$'000	Between 1 to 5 years S\$'000
Group				
Non-derivative financial liabilities				
30 June 2018				
Secured bank loans	19,360	(24,792)	(2,324)	(22,468)
Amounts due to non-controlling interests	6,005	(6,005)	–	(6,005)
Trade and other payables	2,372	(2,372)	(2,372)	–
	27,737	(33,169)	(4,696)	(28,473)
30 June 2017				
Secured bank loans	5,660	(5,871)	(3,196)	(2,675)
Amounts due to non-controlling interests	1,400	(1,400)	–	(1,400)
Trade and other payables	1,330	(1,330)	(1,330)	–
	8,390	(8,601)	(4,526)	(4,075)
Company				
Non-derivative financial liabilities				
30 June 2018				
Trade and other payables	10,474	(10,474)	(10,474)	–
	10,474	(10,474)	(10,474)	–
30 June 2017				
Secured bank loans	2,000	(2,000)	(2,000)	–
Trade and other payables	12,072	(12,072)	(12,072)	–
	14,072	(14,072)	(14,072)	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

23 Financial risk management (Continued)

Risk management framework (Continued)

Market risk

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

Interest rate risk

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

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

	Group		Company	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Fixed rate instruments				
Fixed bank deposits	497	18,231	–	18,080
Loans and borrowings	–	2,000	–	2,000
Variable rate instruments				
Loans and borrowings	19,360	3,660	–	–

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

23 Financial risk management (Continued)

Risk management framework (Continued)

Market risk (Continued)

Cash flow sensitivity analysis for variable rate instruments (Continued)

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

Foreign currency risk

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

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

	2018		2017	
	MYR S\$'000	HKD S\$'000	MYR S\$'000	HKD S\$'000
Group				
Other receivables – non current	–	1,473	–	332
Loans and borrowings	(16,881)	–	–	–
Net exposure	(16,881)	1,473	–	332

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

23 Financial risk management (Continued)

Risk management framework (Continued)

Market risk (Continued)

Sensitivity analysis

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

	Group Profit or loss S\$'000
30 June 2018	
MYR	1,688
HKD	(147)
30 June 2017	
HKD	(33)

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

Capital management

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

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

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

	2018 S\$'000	2017 S\$'000
Total liabilities [^]	25,365	7,060
Less: cash and cash equivalents	(4,544)	(21,895)
Net cash deficit/(surplus)	20,821	(14,835)
Total equity	31,577	34,522
Adjusted net debt to adjusted equity ratio	0.66	N.M.*

[^] Excludes deferred tax liabilities and trade and other payables.

* N.M. – Not meaningful as the Group is in a net cash position.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

23 Financial risk management (Continued)**Risk management framework** (Continued)**Market risk** (Continued)*Capital management* (Continued)

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

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

Accounting classifications and fair values*Fair values versus carrying amounts*

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

	Carrying amount				Fair value			
	Loans and receivables S\$'000	Available- for-sale S\$'000	Other financial liabilities S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group								
30 June 2018								
Financial assets measured at fair value								
Available-for-sale financial assets	-	1,106	-	1,106	-	-	1,106	1,106
Financial assets not measured at fair value								
Other receivables – non current	1,473	-	-	1,473	-	1,399	-	1,399
Trade and other receivables	3,497	-	-	3,497				
Cash and cash equivalents	4,544	-	-	4,544				
	<u>9,514</u>	<u>-</u>	<u>-</u>	<u>9,514</u>				
Financial liabilities not measured at fair value								
Loans and borrowings	-	-	(19,360)	(19,360)	-	(19,360)	-	(19,360)
Amounts due to non-controlling interests (non-trade)	-	-	(6,005)	(6,005)	-	(5,719)	-	(5,719)
Trade and other payables	-	-	(2,372)	(2,372)				
	<u>-</u>	<u>-</u>	<u>(27,737)</u>	<u>(27,737)</u>				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

23 Financial risk management (Continued)

Risk management framework (Continued)

Accounting classifications and fair values (Continued)

Fair values versus carrying amounts (Continued)

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

23 Financial risk management (Continued)**Risk management framework** (Continued)**Accounting classifications and fair values** (Continued)*Fair values versus carrying amounts* (Continued)

	Carrying amount				Fair value			
	Loans and receivables S\$'000	Available- for-sale S\$'000	Other financial liabilities S\$'000	Total S\$'000	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Company								
30 June 2018								
Financial assets measured at fair value								
Available-for-sale financial assets	<u>-</u>	<u>1,106</u>	<u>-</u>	<u>1,106</u>	-	-	1,106	1,106
Financial assets not measured at fair value								
Other receivables	<u>30,813</u>	<u>-</u>	<u>-</u>	<u>30,813</u>				
Cash and cash equivalents	<u>1,560</u>	<u>-</u>	<u>-</u>	<u>1,560</u>				
	<u>32,373</u>	<u>-</u>	<u>-</u>	<u>32,373</u>				
Financial liabilities not measured at fair value								
Trade and other payables	<u>-</u>	<u>-</u>	<u>(10,474)</u>	<u>(10,474)</u>				
	<u>-</u>	<u>-</u>	<u>(10,474)</u>	<u>(10,474)</u>				

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

23 Financial risk management (Continued)

Risk management framework (Continued)

Accounting classifications and fair values (Continued)

Fair values versus carrying amounts (Continued)

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

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring level 2 and level 3 fair values, as well as the significant unobservable inputs' used.

Financial instrument measured at fair value

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

23 Financial risk management (Continued)

Valuation techniques and significant unobservable inputs (Continued)

Financial instrument not measured at fair value

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

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

Non-current loans and borrowings

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

Other financial assets and liabilities

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

Transfer between levels

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

Transfer between fair values hierarchies

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

23 Financial risk management (Continued)

Transfer between fair values hierarchies (Continued)

Level 3 fair values

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

	Available- for-sale financial assets S\$'000
Group and Company	
At 1 July 2017	1,055
Addition	12
Total unrealised gains and losses for the period included in other comprehensive income – net change in fair value of unquoted fund investments	39
At 30 June 2018	1,106
At 1 July 2016	992
Addition	288
Return of investment capital	(126)
Total unrealised gains and losses for the period included in other comprehensive income – net change in fair value of unquoted fund investments	(99)
At 30 June 2017	1,055

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

Sensitivity analysis

For the Group's investment in unquoted investment funds, a 10% increase in the net asset values of the underlying funds would have increased the Group and the Company's other comprehensive income by approximately S\$111,000 (2017: S\$106,000). An equal change in the opposite direction would have decreased the Group and the Company's other comprehensive income by the same amount.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

24 Loss per share

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

	Group	
	2018	2017
	S\$'000	S\$'000
Loss for the year attributable to owners of the Company	(3,166)	(2,721)
	No. of	No. of
	shares	shares
	2018	2017
	'000	'000
Issued ordinary shares at beginning of the financial year	2,651,689	2,551,689
Effect of shares issued in October 2017	-	70,833
Weighted average number of ordinary shares	2,651,689	2,622,522
Basic and diluted loss per share (cents)	(0.12)	(0.10)

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 2018 and 2017.

25 Operating segments

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

- (a) Vessels chartering – Chartering of vessels (oil tankers)
- (b) Hospitality – Hotel management consultancy services
- (c) Investment holding – Investment and management activities

For the purpose of assessing segment performance and allocating resources between segments, the Executive Directors of the Group monitor the results, assets and liabilities attributable to each reportable segment on the following basis:

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

25 Operating segments (Continued)

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

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit or loss, as included in the internal management reports that are reviewed by the Executive Directors of the Group. Segment profit or loss is used to measure performance as the Executive Directors believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

	Vessels chartering S\$'000	Hospitality S\$'000	Investment holding S\$'000	Inter- segment adjustments S\$'000	Total S\$'000
30 June 2018					
Segment revenue					
Revenue from external customers	1,763	1,803	306	(692)	3,180
Interest income	6	–	85	–	91
Interest costs	(117)	(378)	–	–	(495)
Share of results of equity- accounted investees, net of tax	–	29	–	–	29
Tax expense	(27)	–	–	–	(27)
Reportable segment profit/(loss) for the year	352	(1,856)	(788)	(692)	(2,984)
Other material items:					
Depreciation and amortisation charges for the year	1,164	236	2	–	1,402
Reportable segment assets	16,787	41,165	39,188	(36,789)	60,351
Reportable segment liabilities	10,861	47,108	6,751	(35,946)	28,774
Other segment information:					
Capital expenditure	583	31,439	4	(892)	31,134

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

25 Operating segments (Continued)

Information about reportable segments (Continued)

	Vessels chartering S\$'000	Hospitality S\$'000	Investment holding S\$'000	Inter- segment adjustments S\$'000	Total S\$'000
30 June 2017					
Segment revenue					
Revenue from external customers	1,848	210	24	–	2,082
Interest income	6	–	234	–	240
Interest costs	(146)	–	(3)	–	(149)
Share of results of equity- accounted investees, net of tax	–	17	–	–	17
Tax expense	(230)	–	–	–	(230)
Reportable segment profit/(loss) for the year	178	(2,299)	(508)	–	(2,629)
Other material items:					
Depreciation and amortisation charges for the year	1,212	184	–	–	1,396
Impairment loss on property, plant and equipment	–	130	–	–	130
Reportable segment assets	17,393	4,850	36,160	(14,411)	43,992
Reportable segment liabilities	11,821	8,945	2,974	(14,340)	9,400
Other segment information:					
Capital expenditure	68	204	–	–	272

Geographical segments

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

	Group	
	2018 S\$'000	2017 S\$'000
<i>Segment revenue</i>		
Singapore	2,003	2,063
Hong Kong	521	19
Malaysia	519	–
Others	137	–
	3,180	2,082

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

25 Operating segments (Continued)

Information about reportable segments (Continued)

Geographical segments (Continued)

	Group	
	2018 S\$'000	2017 S\$'000
Segment non-current assets		
Singapore	21,720	21,127
Malaysia	30,328	—
	52,048	21,127

Major customer

Revenue from a customer in the vessels chartering segment accounts for approximately S\$1,763,000 (2017: S\$1,848,000) or 55% (2017: 89%) of the Group's total revenues.

26 Operating leases

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

	Group	
	2018 S\$'000	2017 S\$'000
Within 1 year	879	1,848

Non-cancellable operating leases rentals are payable as follows:

	Group	
	2018 S\$'000	2017 S\$'000
Within 1 year	125	293
Between 1 and 5 years	85	205
	210	498

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

27 Capital commitments

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

	Group	
	2018	2017
	S\$'000	S\$'000
Investment in unquoted fund investment committed but not yet called up	55	69
Renovation work-in-progress contracted for but not yet paid out	3,971	–

28 Related parties

Transactions with key management personnel

Key management personnel compensation comprises:

	Group		Company	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Short-term employment benefits	667	471	112	72
Directors' fees	125	125	125	125
Post-employment benefits	28	21	16	8
	820	617	253	205
Amounts paid/payable to:				
– Directors of the Company	125	125	125	125

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	
	2018	2017	2018	2017
	S\$'000	S\$'000	S\$'000	S\$'000
Non-controlling interests				
Vessels chartering income	864	906	–	–
Administrative fee charged by a corporate shareholder	38	38	–	–
Related corporations				
Sales to an entity with common controlling shareholder	14	26	–	–
Professional fees charged by a related corporation	20	11	10	10

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

29 Accounting estimates and judgement in applying accounting policies

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

Sources of estimation

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

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

Valuation of property, plant and equipment and intangible assets

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

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

Fair value of available-for-sale financial assets

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

Judgement made in applying accounting policies

Classification of associate

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2018

30 Subsequent events

On 16 July 2018, the Group entered into a non-binding letter of intent ("LOI") in relation to the proposed disposal of the entire issued and paid-up share capital of its subsidiary MHI MY 1 Pte. Ltd., including the hotel property. Management had continued accounting for the property as a non-current asset, on the basis that the sale is not highly probable and the asset is not available for immediate sale.

On 10 September 2018, the LOI was terminated as due diligence has not been completed on or before the deadline stated in the LOI.

STATUS REPORT ON THE USE OF PROCEEDS

As at 31 August 2018

Pursuant to the undertaking by the Company dated 30 August 2012 to, inter alia, make periodic announcements on the utilisation of proceeds from the 2012 Rights Issue and to provide a status report on the use of the proceeds from the 2012 Rights Issue in the Company's Annual Report, the Directors wish to advise that further to the Company's announcements on 10 September 2012, 11 September 2012, 3 October 2012, 4 October 2012, 9 November 2012, 1 March 2013, 28 August 2013, 13 November 2013, 6 February 2014, 1 July 2014, 3 July 2014 and 19 January 2018, the proceeds of S\$11,491,779/- from the 2012 Rights Issue have been utilised as at 31 August 2018, being the latest practicable date prior to the printing of this Annual Report, as follows:-

Description	Amount S\$'000
1. Settlement of 2012 Rights issue expenses	275
2. Advance to Paragon Holdings Pte. Ltd. to subscribe and purchase 50,000 new ordinary shares in Paragon Coal Pty Ltd. (incorporated in Australia) at a consideration of A\$1,500,000 representing 16.67% of the enlarged share capital as at 23 November 2012 and engaged in exploration and development of coal resources in the Tenements.	1,924
3. Cash consideration on 5 March 2013 to Tallwise Trading Pte Ltd on the acquisition of 51% interest on GMT Bravo Pte Ltd and GMT Pte Ltd	609
4. ICP Ltd general working capital	1,632
5. Subscription of 40,000,000 new ordinary shares in Gossan Hill Gold Limited by the Company's wholly owned subsidiary, AceA Resources Pte Ltd.	2,280
6. Acquisition of 22,600,000 ordinary shares in Tiaro Coal Limited by the Company's wholly owned subsidiary, AceA Resources Pte Ltd.	1,247
7. Acquisition of trademark rights to the hotel brand name "Travelodge" by the Company's wholly owned subsidiary, Travelodge Hotels Asia (IP) Pte. Ltd.	3,525
Total utilised from 2012 Rights Issue by ICP Ltd as at 31 August 2018.	11,492
Balance of proceeds as at 31 August 2018.	Nil

STATUS REPORT ON THE USE OF PROCEEDS

As at 31 August 2018

Pursuant to the undertaking by the Company dated 2 April 2014 to, inter alia, make periodic announcements on the utilisation of proceeds from the 2014 Rights Issue and to provide a status report on the use of the proceeds from the 2014 Rights Issue in the Company's Annual Report, the Directors wish to advise that further to the Company's announcements on 2 April 2014, 25 April 2014, 19 January 2018, 26 January 2018 and 7 August 2018, the proceeds of S\$12,758,446/- from the 2014 Rights Issue have been utilised as at 31 August 2018, being the latest practicable date prior to the printing of this Annual Report, as follows:-

Description	Amount S\$'000
1. Settlement of 2014 Rights issue expenses	450
2. ICP Ltd general working capital	1,632
3. Acquisition of Geo Hotel and its operating company by the Company's subsidiary, MHI MY 1 Sdn. Bhd.	9,810
4. Renovation of Geo Hotel	866
Total utilised from 2014 Rights Issue by ICP Ltd as at 31 August 2018.	12,758
Balance of proceeds as at 31 August 2018.	Nil

Pursuant to the undertaking by the Company dated 22 September 2016 to, inter alia, make periodic announcements on the utilisation of proceeds from the placement of shares in October 2016 and to provide a status report on the use of the proceeds from the 2016 Placement of Shares in the Company's Annual Report, the Directors wish to advise that further to the Company's announcements on 7 August 2018, the proceeds of S\$700,000/- from the 2016 Placement of Shares have been utilised as at 31 August 2018, being the latest practicable date prior to the printing of this Annual Report, as follows:-

Description	Amount S\$'000
1. ICP Ltd general working capital	538
2. Renovation of Geo Hotel	162
Total utilised from 2016 Placement of Shares by ICP Ltd as at 31 August 2018.	700
Balance of proceeds as at 31 August 2018.	Nil

ANALYSIS OF ORDINARY SHAREHOLDINGS

As at 18 September 2018

Number of issued and paid up shares	:	2,651,689,122
Class of shares	:	Ordinary Shares
Voting rights	:	One vote for each ordinary share (excluding treasury shares and subsidiary holdings)
No. of treasury shares and percentage	:	Nil
No. of subsidiary holdings held and percentage	:	Nil

ANALYSIS OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	360	1.48	12,291	0.00
100 – 1,000	11,235	46.26	5,271,721	0.20
1,001 – 10,000	6,819	28.08	28,935,507	1.09
10,001 – 1,000,000	5,699	23.46	544,011,149	20.52
1,000,001 and above	174	0.72	2,073,458,454	78.19
	<u>24,287</u>	<u>100.00</u>	<u>2,651,689,122</u>	<u>100.00</u>

LIST OF TWENTY LARGEST SHAREHOLDERS

Name	No. of Shares	%
HSBC (Singapore) Nominees Pte Ltd	664,257,287	25.05
Phillip Securities Pte Ltd	273,247,232	10.31
Citibank Nominees Singapore Pte Ltd	133,093,564	5.02
Ang Kong Meng	119,626,500	4.51
DBS Nominees Pte Ltd	63,082,565	2.38
Ng Choon Ngoi @ Ng Choon Ngo	47,603,900	1.80
CGS-CIMB Securities (S) Pte Ltd	47,318,900	1.79
Zaheer K Merchant	35,895,800	1.35
Ong Kok Wah	35,600,000	1.34
United Overseas Bank Nominees Pte Ltd	34,414,537	1.30
Lau Yee Choo	33,200,000	1.25
Lim Hoon Min	27,550,000	1.04
Maybank Kim Eng Securities Pte Ltd	24,427,989	0.92
Tay Lian Leong	21,000,000	0.79
Wu Chung Shou	20,000,000	0.75
Raffles Nominees (Pte) Ltd	18,397,600	0.69
Wong Kian Yeuan	16,387,600	0.62
Choo Ah Seng	16,247,000	0.61
UOB Kay Hian Pte Ltd	15,353,900	0.58
Ngen Poh Kim Debbie or Ang Chwee Chang	15,019,600	0.57
	<u>1,661,723,974</u>	<u>62.67</u>

ANALYSIS OF ORDINARY SHAREHOLDINGS

As at 18 September 2018

SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders as at 18 September 2018

Name	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Aw Cheek Huat ⁽¹⁾	–	–	640,243,300	24.2

Note:

(1) Mr. Aw Cheek Huat is deemed to have an interest in 640,243,300 shares registered in the name of HSBC (Singapore) Nominees Pte Ltd.

PUBLIC FLOAT

Based on the information available to the Company as at 18 September 2018, approximately 70.71% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of ICP Ltd. (the “Company”) will be held at Sophia Cooke Ballroom, Level 2, Y.W.C.A., Fort Canning Lodge, 6 Fort Canning Road, Singapore 179494 on Wednesday, 24 October 2018 at 2.00 p.m., for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the year ended 30 June 2018 together with the Auditors’ Report thereon. **Resolution 1**

2. To re-elect Mr. Tan Kok Hiang, who is retiring pursuant to Regulation 109 of the Company’s Constitution.

Mr. Tan Kok Hiang will, upon re-election as a Director of the Company, remain as Chairman of the Audit Committee, and a member of the Nominating Committee and Remuneration Committee. Mr. Tan will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. **Resolution 2**

3. To approve the payment of Directors’ fees of S\$125,000/- for the year ended 30 June 2018 (2017: S\$125,000/-). **Resolution 3**

4. To re-appoint Messrs KPMG LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 4**

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

SPECIAL BUSINESS

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

6. **AUTHORITY TO ALLOT AND ISSUE SHARES** **Resolution 5**

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

- (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise, and/or
- (ii) make or grant offers, agreements or options that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

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

NOTICE OF ANNUAL GENERAL MEETING

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

provided THAT:–

- (a) the aggregate number of shares to be issued pursuant to this resolution does not exceed one hundred percent 100% of the total number of issued shares in the Company (excluding treasury shares and subsidiary holdings) of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company does not exceed fifty percent (50%) of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings);
- (b) for the purpose of determining the aggregate number of shares that may be issued under paragraph (a) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding at the time this resolution is passed, and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares; and
- (c) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or when it is required by law to be held, whichever is earlier.

[See Explanatory Note i]

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

Resolution 6

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

[See Explanatory Note ii]

NOTICE OF ANNUAL GENERAL MEETING

8. RENEWAL OF SHARE PURCHASE MANDATE

Resolution 7

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

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

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

- (b) That unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the proposed Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the Relevant Period (as hereinafter defined) and expiring on the earliest of:
- (i) the conclusion of the next annual general meeting of the Company is held or date by which such annual general meeting is required by law to be held;
 - (ii) the date on which the share purchases are carried out to the full extent of the proposed Share Purchase Mandate; or
 - (iii) the date on which the authority contained in the proposed Share Purchase Mandate is varied or revoked;

NOTICE OF ANNUAL GENERAL MEETING

- (c) That for purposes of this ordinary resolution:

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

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

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

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as hereinafter defined) of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares,

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

- (d) That the number of Shares which may in aggregate be purchased or acquired by the Company during the Relevant Period shall be subject to the Maximum Limit;
- (e) That the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased by the Company, pursuant to the proposed Share Purchase Mandate in any manner as they think fit, which is permitted under the Companies Act; and
- (f) That the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this ordinary resolution.
[See Explanatory Note iii]

BY ORDER OF THE BOARD

SHIRLEY LIM GUAT HUA

Company Secretary

8 October 2018

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note:

- i. The Ordinary Resolution 5 proposed in item 6 above, if passed, will authorise the Directors of the Company to issue shares in the capital of the Company up to an amount not exceeding in aggregate one hundred percent (100%) of the total number of issued shares in the capital of the Company, excluding treasury shares and subsidiary holdings, at the time of the passing of this resolution, of which the aggregate number of shares to be issued other than on a pro-rata basis to the shareholders of the Company does not exceed fifty percent (50%) of the total number of issued shares in the capital of the Company, excluding treasury shares and subsidiary holdings.
- ii. The Ordinary Resolution 6 proposed in item 7 above, if passed, will empower the Directors to allot and issue shares in the Company of up to a number not exceeding in total fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the share capital of the Company from time to time pursuant to the vesting of Awards under the Performance Share Plan.
- iii. The Ordinary Resolution 7 proposed in item 8 above, if passed, will renew the Share Purchase Mandate and will authorise the Directors to purchase or otherwise acquire Shares on the terms of the Share Purchase Mandate as set out in the Addendum. The rationale for the authority and limitation on the sources of funds to be used for the purchase or acquisition of Shares, including the amount of financing and the illustrative financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Group for the financial year ended 30 June 2018 are set out in greater detail in the Addendum enclosed together with the Annual Report.

Notes:

1. A shareholder entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two proxies to attend, speak and vote in his/her stead.
2. Where a shareholder appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.
3. Pursuant to Section 181 of the Companies Act, Chapter 50 of Singapore, any member who is a relevant intermediary is entitled to appoint one or more proxies to attend and vote at the Annual General Meeting. Relevant intermediary is either:
 - (a) A banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity.
 - (b) A person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
 - (c) The Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. A proxy need not be a shareholder of the Company.
5. The instrument appointing a proxy must be deposited at the registered office of the Company at 10 Anson Road, #29-07 International Plaza, Singapore 079903 not less than seventy-two (72) hours before the time appointed for holding the Meeting.

PERSONAL DATA PROTECTION:

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

ICP LTD.

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

IMPORTANT:

1. For investors who have used their CPF monies to buy ICP Ltd.'s Shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

PROXY FORM – ANNUAL GENERAL MEETING

I/We, _____ (Name) NRIC/Passport No. _____

of _____ (Address)

being a member/members of **ICP LTD.** (the “**Company**”), hereby appoint:

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

and/or (delete as appropriate)

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

as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the Annual General Meeting (“AGM”) to be held at Sophia Cooke Ballroom, Level 2, Y.W.C.A., Fort Canning Lodge, 6 Fort Canning Road, Singapore 179494, on Wednesday, 24 October 2018 at 2.00 p.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting are given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote “For” or “Against” with a tick “√” within the box provided. Alternatively, please indicate the number of votes as appropriate.)

No.	Resolutions relating to:	For	Against
	Ordinary Business:		
1	Adoption of Directors’ Statement and Audited Financial Statements for the year ended 30 June 2018 together with the Auditors’ Report		
2	Re-election of Mr. Tan Kok Hiang as a Director		
3	Approval of Directors’ fees amounting to S\$125,000/- for the year ended 30 June 2018		
4	Re-appointment of Messrs KPMG LLP as Auditors of the Company		
	Special Business:		
5	Approval for Authority to Allot and Issue Shares		
6	Authority to Issue Shares under the ICP Performance Share Plan		
7	Renewal of Share Purchase Mandate		

Dated this _____ day of _____ 2018

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

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

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM OVERLEAF

NOTES

1. Please insert the total number of Shares in the share capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.
3. A member who is not a Relevant Intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting of the Company. Where such member appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument appointing a proxy or proxies. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100 per cent of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.
4. A member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where more than one proxy is appointed, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. In relation to a Relevant Intermediary who wishes to appoint more than two proxies, it should annex to the instrument appointing a proxy or proxies the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of shares and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank who intends to appoint CPF investors as its proxies shall comply with this Note.
5. Completion and return of the instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy appointing a proxy or proxies to the meeting.
6. A proxy need not be a member of the Company.
7. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 10 Anson Road, #29-07, International Plaza, Singapore 079903 not less than 72 hours before the time set for the Meeting.
8. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of its attorney or a duly authorised officer.
9. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
10. A corporation which is a shareholder of the Company may, in accordance with Section 179 of the Companies Act, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting.
11. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instruments appointing a proxy or proxies. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 8 October 2018.



INVESTMENT CAPITAL PARTNERS

ICP LTD.

ANNUAL REPORT FY2018

COMPANY REGISTRATION NO: 196200234E

10 ANSON ROAD, #29-07 INTERNATIONAL PLAZA
SINGAPORE 079903

T: +65 6221 4665