INVESTMENT CAPITAL PARTNERS

2020
Annual Report


Travelodge
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CONTENTS

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The Company's Sponsor has not independently verified the contents of this Annual Report including the accuracy and 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. SGX-ST assumes no responsibility for the contents of this Annual Report, including the correctness of any of the statements or options made, or reports contained in this announcement.

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Tel: 6381 6966

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 2020 ("**FY2020**").

BUSINESS OVERVIEW AND MAJOR DEVELOPMENTS

The Group has 3 main operating subsidiaries, namely Travelodge Hotels (Asia) Pte Ltd ("**TLA**"), Midscale Hotel Investment ("**Midscale**") and ICP Marine Group ("**ICP Marine**"). TLA is the Group's hotel management and franchising business under the Travelodge brand. Midscale is the Group's hotel investment business, with ownership stakes in Travelodge City Centre Kuala Lumpur ("**TLCC**") and Travelodge Central Hollywood Road Hong Kong ("**TLCH**"). ICP Marine is the Group's vessels investment and chartering business.

FY2020 can be reviewed and categorised into 2 time frames with somewhat contrasting fortunes not only for the Group's businesses, but also the broader global economy – (i) the pre COVID-19 period, being the 6 months ended 31 December 2019 ("**1H2020**") and (ii) the post COVID-19 period, being the 6 months period ended 30 June 2020 ("**2H2020**").

The Group started FY2020 with a positive and optimistic outlook. Many of the countries which the Group operates in experienced healthy growth in international inbound and domestic travel in the last few years, which boded well for the Group's hospitality business. Since the opening of the first Travelodge hotel in Asia in February 2017, the Group opened 1 new Travelodge hotel each quarter or 4 new Travelodge hotels per year on average. At the end of financial year ended 30 June 2019 ("**FY2019**"), the Group's portfolio had grown to 10 hotels across 5 countries. In 1H2020, the Group signed up and opened 3 new Travelodge hotels, taking TLA's portfolio to 13 hotels.

However, our efforts to continue with the positive momentum of 1H2020 was thwarted by the onset and subsequent rapid spread of the COVID-19 epidemic from January 2020. Apart from precipitating a global economic slowdown, COVID-19 has had a more direct adverse impact on the hospitality industry than other previous economic or financial crises because of the near complete cessation of international and domestic travel arising from the implementation of tight cross border restrictions and local social distancing in many countries. Many of the Travelodge hotels were either temporarily closed or suffered significantly lower revenues during 2H2020, impacting the performance of the Group's hospitality business segment during 2H2020.

To mitigate this, the Group implemented comprehensive cost-containment measures to manage payroll cost and overheads, including but not limited to a reduction in Directors' fees for FY2020 and base salaries of all employees of up to 30%. As a prudent measure to strengthen its liquidity adequacy, the Group arranged a banking facility under the temporary bridging loan programme announced under Solidarity Budget 2020. The hotels managed by the Group have also put in place initiatives, to ensure adequate health and safety measures are implemented to protect employees and guests. Cost management measures are reviewed actively at the hotels. ICP Marine's business performance has been less impacted by COVID-19 as the charterer of both vessels has continued to fulfil its charter income obligations.

FINANCIAL PERFORMANCE

The Group reported a loss after taxation of S$1.3 million for FY2020 as compared to the loss after taxation of S$2.1 million for FY2019. The decrease in loss after taxation was mainly attributable to better performance of TLA in 1H2020.

The Group reported revenue of S$6.4 million in FY2020 as compared to S$4.5 million in FY2019, an increase of 42.2% or S$1.9 million. The increase was mainly attributable to growth in the Group's hospitality segment in 1H2020. The Group's revenue in 1H2020 alone was S$4.1 million, just shy of the full year FY2019 revenue of S$4.5 million. However, the revenue for 2H2020 was S$2.3 million, a decline of almost 50% compared to 1H2020 due to the impact of COVID-19.

COVID-19 impacted the Group's hospitality revenues in the following areas: (i) room revenue in TLCC declined significantly as a result of the implementation of a series of movement control orders ("**MCOs**") imposed by the Malaysian government that resulted in the closure of TLCC from mid-March onwards; and (ii) hotel management and franchise fee income reduced significantly as businesses in other Travelodge hotels across Singapore, Hong Kong, South Korea, Malaysia, Thailand and Indonesia were affected by city lockdowns, domestic social distancing measures and tighter cross border travel restrictions. Revenue from marine chartering remained relatively consistent in FY2020 compared to FY2019 at S$1.8 million.

The Group's total expenses for the year increased by S$1.2 million or 17.9%, which was proportionately lower than the Group's revenue growth of S$1.9 million or 42.2%. S$0.2 million of the increase in expenses was attributable to fair value loss on unquoted fund investments.

CHAIRMAN'S STATEMENT

BUSINESS OUTLOOK

COVID-19 has resulted in a global economic slowdown of unprecedented scale and speed. The outlook for businesses in the short to medium term appears to be subject to the development of a vaccine or vaccines, and the speed of the global recovery thereafter.

The Group is cautiously optimistic about being able to continue to grow its hospitality segment by expanding the Travelodge footprint in Asia while the COVID-19 situation plays out. Hotel owners faced with significant declines in their hotels' performances will better appreciate the need for (i) leveraging the sales, marketing and distribution capability that an established hotel operator can offer; (ii) cost efficiencies associated with the economies of scale that an operator with a regional network of hotels can bring; and (iii) an international brand such as Travelodge which gives consumers confidence and assurance of health and safety standards being implemented consistently.

The Group will continue to pursue growth opportunities in key markets where it already has a presence, namely Singapore, South Korea, Hong Kong, Malaysia, Thailand and Indonesia, while also looking to expand in new markets such as Japan where domestic and business travel continues and hotels are less reliant on international foreign inbound travellers.

DIVIDENDS

Although the Group's loss after tax has reduced year on year, COVID-19 has had a negative impact on the Group's hospitality business and the effects of this may persist in the short to medium term. In the face of this, the Group has to take on a prudent approach with regards to cost containment measures and managing cash flows and liquidity. Regretfully, the Board is unable to declare a dividend for FY2020.

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. Our progress would not have been possible without the trust and support of all our stakeholders. I would also like to thank our management team and staff for their hard work and dedication throughout the year as well as their commitment to work through this COVID-19 crisis together with the Board.

Tan Kok Hiang
Independent Non-Executive Chairman
14 September 2020

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

The Group reported revenue of S$6.4 million in the financial year ended 30 June 2020 ("**FY2020**") as compared to S$4.5 million in the financial year ended 30 June 2019 ("**FY2019**"), an increase of 42.9% or S$1.9 million. The increase was mainly attributable to growth in the Group's hospitality segment. Revenue from the vessel chartering segment in FY2020 remains consistent with the revenue earned in FY2019 at S$1.8 million.

Cost of sales increased by 22.4% from S$1.8 million in FY2019 to S$2.2 million in FY2020 mainly due to the incremental operation expenses incurred in Travelodge City Centre (formerly known as Geo Hotel), in line with the growth in hotel property income.

Following the higher revenue and cost of sales mentioned above, the Group's gross profit increased by 56.3% or S$1.5 million in FY2020.

Administrative expenses increased by 13.1% from S$4.3 million in FY2019 to S$4.9 million in FY2020. This was mainly due to the increased depreciation incurred in Travelodge City Centre on its completion of refurbishment.

Finance costs increased slightly from S$0.5 million to S$0.7 million attributable to Travelodge City Centre.

Other losses relate to net loss arising on financial asset mandatorily measured at fair value through profit or loss ("**FVTPL**"). The loss increased from S$0.1 million to S$0.2 million as a result of a higher fair value loss in the financial asset as at 30 June 2020 compared to 30 June 2019.

As a result of the above, the Group reported a loss before tax of S$1.3 million in FY2020 as compared to loss before tax of S$2.0 million in FY2019.

FINANCIAL POSITION

Non-current assets

Non-current assets decreased by S$0.5 million, mainly due to decrease in property, plant and equipment of S$1.0 million and decrease in other investments of S$0.3 million, offset by increase in right-of-use assets of $0.3 million, increase in intangible assets of S$0.4 million and increase in other receivables of S$0.1 million.

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

During the year, there were additions of property, plant and equipment of S$1.5 million, offset by the effects of movements in foreign exchange rates of S$0.2 million and depreciation of S$2.3 million charged during the year.

Current assets
Current assets decreased by S$0.2 million, mainly due to decrease in trade and other receivables of S$0.8 million, offset against the increase in cash and cash equivalents of S$0.6 million.

Non-current liabilities
As at 30 June 2019, a subsidiary of the Group did not meet one of the bank financial covenants in relation to the loan secured against Travelodge City Centre. The bank granted a waiver from the compliance of the financial covenant for these borrowings subsequent to 30 June 2019. As a result of the above, these borrowings were reclassified from non-current liabilities to current liabilities as at 30 June 2019 in accordance with requirements of Singapore Financial Reporting Standards (International) 1-1.

Following the waiver from the bank in relation to the Group's compliance of the financial covenant for borrowings before 30 June 2020, as at 30 June 2020, the Group's borrowings amounting to S$18.9 million have been reclassified back to non-current liabilities. Non-current lease liabilities relate to the corporate office rental payments which are payable in more than 12 months.

Current liabilities
Current liabilities decreased by S$18.2 million mainly due to the reclassification of bank borrowings of S$18.9 million as mentioned above, principal repayment of $0.2 million and decrease in trade and other payables of S$0.3 million. The decrease was offset by increase in current amount due to non-controlling interests of S$1.0 million, and current lease liabilities of S$0.2 million.

Equity
Overall, the Group's total equity decreased by S$1.4 million arising from net loss for the year of S$1.3 million and movement in foreign currency translation reserve of S$0.1 million during the year.

CASH FLOWS

The Group's cash and cash at bank was S$4.1 million as at 30 June 2020.

Net cash used in operating activities was S$0.8 million in FY2019 and net cash from operating activities was S$1.9 million in FY2020. The increase in operating cash flow before working capital changes of S$2.0 million was mainly due to an increase in revenue from the hospitality segment.

Net cash used in investing activities decreased from S$5.6 million in FY2019 to S$1.8 million in FY2020 as the acquisition of property, plant and equipment incurred by the Group's hospitality segment was completed in FY2019.

Net cash generated from financing activities decreased from S$5.3 million in FY2019 to S$0.6 million in FY2020. This was mainly due to the proceeds received from issuance of new ordinary shares of $3.9 million, net proceeds from loans and borrowings and non-controlling interests of $0.7 million and $0.7 million respectively in FY2019.

OPERATIONS PERFORMANCE

The performance of the Group's business segments (after inter-segment adjustments) during the year was as follows:

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

Loss from the hospitality segment decreased by S$1.2 million, mainly due to the increase in revenue by S$2.0 million with new hotels opened during the financial year.

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

The revenue and earnings from the vessel chartering segment in FY2020 were comparable with the revenue and earnings reported in FY2019.

(iii) Investment holding – representing investment and management activities

Loss from the investment holding segment increased by S$0.3 million, mainly due to FVTPL amounting to S$0.2 million.

BOARD OF DIRECTORS

MR. TAN KOK HIANG
Independent
Non-Executive Chairman

Mr. Tan Kok Hiang was appointed to the Board as Non-Executive Chairman on 19 November 2019. Mr. Tan has been an Independent Director since 2 March 2012 and was also appointed as the Chairman of the Audit Committee and a Member of the Nominating Committee and Remuneration Committee. He was last re-elected on 24 October 2018.

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

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

MR. KOH TIEN GUI
Independent
Non-Executive Director

Mr. Koh Tien Gui was appointed to the Board as an Independent Non-Executive Director on 5 November 2018 and was last re-elected on 29 October 2019. He was also appointed as the Chairman of the Nominating Committee and is a Member of the Audit Committee and Remuneration Committee.

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

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

BOARD OF DIRECTORS

MR. ONG KOK WAH
Independent
Non-Executive Director

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

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

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

MR. AW MING-YAO MARCUS
Executive Director

Mr. Aw Ming-Yao Marcus was appointed as Executive Director on 5 November 2018, having served as Director and Vice President – Finance & Development of Travelodge Hotels (Asia) Pte. Ltd from July 2016. He was last re-elected on 29 October 2019.

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

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

MANAGEMENT

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.

MS. ONG MIN'ER
Financial Controller

Ms. Ong Min'er is the Financial Controller of ICP Ltd., responsible for all the financial and accounting functions of the Company and the Group. She joined the Travelodge Hotels (Asia) Pte Ltd on 7 August 2017 and was subsequently promoted to Financial Controller of ICP Ltd on 17 May 2019. Ms. Ong has more than 10 years of finance experience in the hospitality industry.

Ms. Ong holds a Bachelor of Accountancy degree from Nanyang Technological University and is a Chartered Accountant of Singapore.

MR. CHAN CHAI TECK STEVEN
Chief Operating Officer

Mr. Chan Chai Teck is the Chief Operating Officer of Travelodge Hotels (Asia) Pte Ltd. He was appointed on 7 January 2020. Mr. Chan has over 20 years' experience in the hotel industry. He has worked for major hospitality companies such as Intercontinental Hotels Group, Shangri-La Hotels & Resorts and Pan Pacific Hotels Group. His experience spans across commercial and operations functions at both corporate and property level.

Mr. Chan holds a Masters in Business Administration from Murdoch University.

THE TRAVELODGE PORTFOLIO IN ASIA TODAY

13 HOTELS IN 9 CITIES, SPANNING 2,500+ ROOMS

Travelodge Pattaya Thailand

Travelodge Myeongdong City Hall Seoul

Travelodge Sukhumvit 11 Thailand

Travelodge Dongdaemun Seoul

Travelodge Myeongdong Euljiro Seoul

Travelodge Ipoh Malaysia

Travelodge Central Hollywood Rd Hong Kong

Travelodge Bukit Bintang Malaysia

Travelodge Kowloon Hong Kong

Travelodge City Centre Malaysia

Travelodge Georgetown Malaysia

Travelodge Harbourfront Singapore

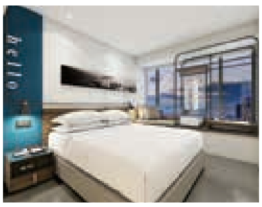
Travelodge Batam Indonesia

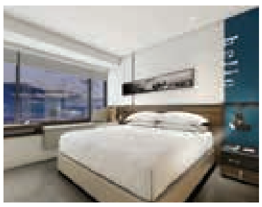
EXPANDING ACROSS KEY DESTINATIONS: SINGAPORE

Singapore

Travelodge Harbourfront
319 rooms

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





EXPANDING ACROSS KEY DESTINATIONS: SOUTH KOREA

South Korea

Travelodge Dongdaemun
242 rooms

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

Travelodge Myeongdong Euljiro
224 rooms

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

Travelodge Myeongdong City Hall
129 rooms

Our newest hotel in Seoul and the third Travelodge in South Korea, Travelodge Myeongdong City Hall is located at the heart of action in the bustling city. Located just three minutes by foot from City Hall, the hotel is in close proximity to some of Seoul's most popular tourist attractions like the Deoksugung Palace and the Namdaemun Market. A variety of shopping, entertainment and dining options are also within easy access, including the Myeongdong Shopping Street, Gyeongbokgung Palace, the Myeongdong Cathedral, Cheongyecheon Stream, the N Seoul Tower and Gwangjang Market.

EXPANDING ACROSS KEY DESTINATIONS: HONG KONG

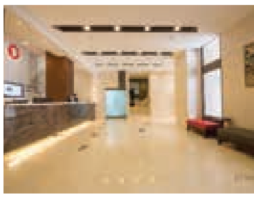
Hong Kong

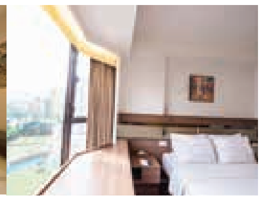
Travelodge Central Hollywood Road
148 rooms

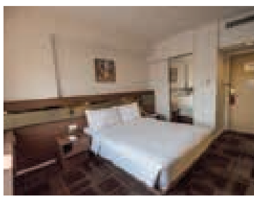
Situated along Hollywood Road in Hong Kong's prime Central district, Travelodge Central Hollywood Road is right at the heart of Hong Kong Island's commercial and political centre. Business guests will enjoy the proximity to the central business district, while leisure guests will find heritage trails,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

Travelodge Kowloon
126 rooms

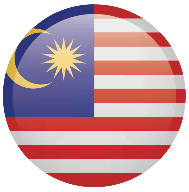
Located on Kowloon's bustling Nathan Road, Travelodge Kowloon is within walking distance to Hong Kong's famed Template Street Night Market, Jade Market, Mong Kok Ladies' Market and the Kowloon Park. With the subway station a mere 400 metres away, Travelodge Kowloon allows convenient access to Hong Kong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







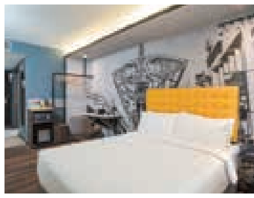
EXPANDING ACROSS KEY DESTINATIONS: MALAYSIA

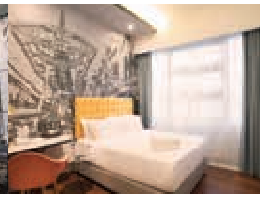


Malaysia

Travelodge City Centre
198 rooms

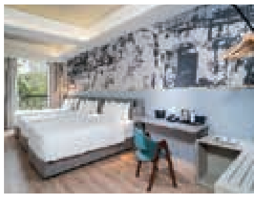
Located at the vibrant Chinatown area of Kuala Lumpur, Travelodge City Centre is a short walk away from the iconic Central Market and the bustling Petaling Street – a haven for food lovers and keen shoppers – making the hotel an ideal location for leisure guests or business travellers wanting to mix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

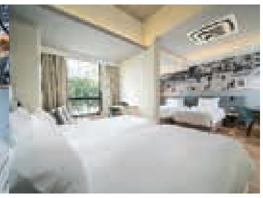


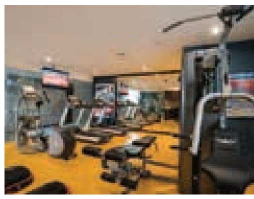


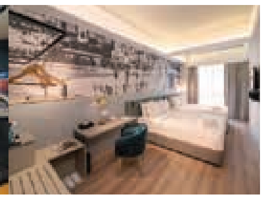
Travelodge Bukit Bintang
168 rooms

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

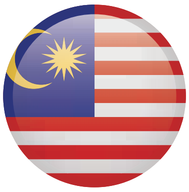








EXPANDING ACROSS KEY DESTINATIONS: MALAYSIA



Malaysia

Travelodge Georgetown
131 rooms

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

Travelodge Ipoh
268 rooms

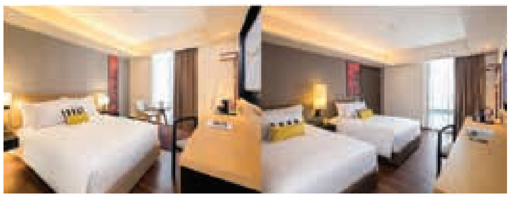
Just 10 minutes by car from the airport, Travelodge Ipoh Hotel is in an ideal location that caters to both business and leisure travellers. The hotel is the newest Travelodge to launch in Malaysia. With Perak being one of the most popular tourism destination domestically, Travelodge Ipoh will appeal to the local and the international travel markets. Travelodge Ipoh is situated close to the city's business district and well-known historical, cultural and culinary attractions, yet it's far enough away from the city-center bustle to offer a sense of relaxation and serenity.

EXPANDING ACROSS KEY DESTINATIONS: THAILAND

Thailand

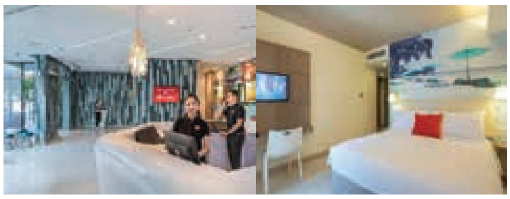
Travelodge Sukhumvit 11
224 rooms

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



Travelodge Pattaya
164 rooms

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

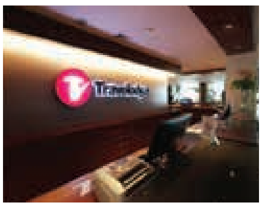


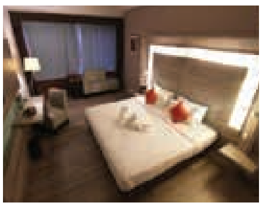
EXPANDING ACROSS KEY DESTINATIONS: INDONESIA

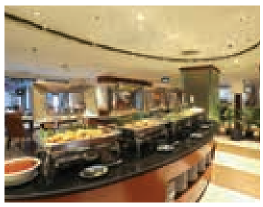
Indonesia

Travelodge Batam
254 rooms

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







CONTINUING WITH OUR CORE EXPERTISE

SHIPPING

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

Name of Ship:
BAYAN

Description of Ship:
Steel Petroleum Product Tanker (<60C)

Registered Dimensions:
Length: 81.83m
Breadth: 14.80m
Depth: 7.36m

Name of Ship:
COMO

Description of Ship:
Steel Petroleum Product Tanker (<60C)

Registered Dimensions:
Length: 81.83m
Breadth: 14.80m
Depth: 7.36m

SUSTAINABILITY REPORT

Year ended 30 June 2020

INTRODUCTION

Board Statement

We are pleased to present our sustainability report (the "**Report**") for the financial year ended 30 June 2020.

This Report is prepared in accordance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Rules (711A and 711B) and Practice Note 7F Sustainability Reporting Guide, with reference from the Global Reporting Initiative ("**GRI**") standards (core option). The GRI Content Index is furnished at the end of this Report. The content of this Report has not been externally assured by independent parties. The Group may consider doing so in the future.

This Report consists of our sustainability efforts throughout the reporting period, including our targets and strategies, and milestone achievements pertinent to our hospitality business segment thus far. In subsequent years, the Board may decide to broaden the scope to include other business segments of the organisation.

Ensuing the issue of our second Sustainability Report last year, we re-evaluated our identified Economic, Environmental, Social and Governance ("ESG") factors to attune to the Group's business environment. We continued to consider and address sustainability issues in our operations and practices. We remain committed to strengthening trust with our key stakeholders. We strive to address the concerns of key stakeholders and share pertinent information with them in a clear and concise manner. The Group's website at www.icp.com.sg is a key source of information for stakeholders.

We warmly welcome feedback and suggestions from you. You may contact the Group's Financial Controller, Ms Ong Min'er, at ong.miner@icp.com.sg for queries or feedback.

SUSTAINABILITY REPORT

Year ended 30 June 2020

About ICP Ltd

ICP Ltd is listed on SGX-ST. Our corporate headquarter is located in Singapore.

Our three key operating platforms are:

Hospitality

- The Group owns the globally recognised Travelodge hotel brand in Asia. Currently, we are managing and franchising hotels in Malaysia, Hong Kong, Thailand, Indonesia, Singapore and Korea.
- The Group targets to expand the Travelodge brand to other countries in Asia, such as Vietnam and Japan.

Vessel Ownership & Chartering

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

Other Investments

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

Travelodge Hotels

The Travelodge brand is held by **Travelodge Hotels (Asia) Pte Ltd ("TLA")** and is currently embraced by hotel owners in key gateway destinations under both management and franchise arrangements:

TLA

Franchise

Provide access to the TLA distribution platform and sales and marketing support while the owner takes care of the hotel's operations.

Management

Manages the day to day operations of the hotel on behalf of the owners.

Country Master Franchise

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

SUSTAINABILITY REPORT

Year ended 30 June 2020

Engaging Stakeholders

We use various communication channels to engage our key stakeholders. Effective engagement of our key stakeholder helps to translate their concerns into our business objectives and serve as a basis for strategy development. We continue to take on the proactive approach to address our key stakeholders' concerns through our identified platforms as illustrated in *Figure 1*.

Figure 1 – Key Stakeholders Engagement

	KEY TOPICS	WAYS TO ENGAGE STAKEHOLDERS
01	**Shareholders** ■ Maximise shareholders' return ■ Timely disclosures ■ Business strategies	■ Release of financial results, announcements and other relevant disclosures via SGXNet (as required) ■ Annual Report ■ Annual General Meeting ■ Extraordinary General Meeting (as required)
02	**Business Partners - Hotel Owners** ■ Financial performance ■ Property maintenance programme ■ Market outlook ■ Cost savings initiatives	■ Management report (monthly) ■ Performance meeting (monthly) ■ Site visits (as required) ■ Discussion via calls and emails (as required) ■ Hotel performance weekly report
03	**Guests** ■ Quality of product and service ■ Hotel stay promotions ■ Update on COVID-19 safety measures	■ Guest satisfaction survey (as required) ■ Social media (as required) ■ Guest feedback on travel websites (as required) ■ Face-to-face meeting with key customers (as required) ■ Electronic Direct Mail ("EDM") (as required) ■ Brand Website (as required)
04	**Employees** ■ Safe and healthy working environment ■ Fair and competitive employment practices and policies ■ Employees' well-being and development ■ Update on COVID-19 safety measures	■ Annual performance appraisals ■ Training and development programmes (annually) ■ Intranet platforms (as required) ■ Induction for new employees (as required) ■ Staff bonding/recreational activities (annually) ■ Emails, videos (as required)
05	**Government** ■ Compliance with rules and regulations ■ Changes to laws and regulations ■ Compliance on rules and regulations in relation/due to COVID-19 ■ Grants applications	■ Seminars and conferences (as required) ■ Discussion via calls and emails (as required) ■ Annual compliance audit ■ Notifications on government related laws and regulations updates (as required)
06	**Suppliers** ■ Quality of product and service ■ Timely payments for provision of product and service	■ Face-to-face meeting (as required) ■ Discussion via calls and emails (as required)
07	**Community** ■ Contribution to community	■ Corporate Social Responsibility programmes (annually) ■ Corporate volunteering (annually)

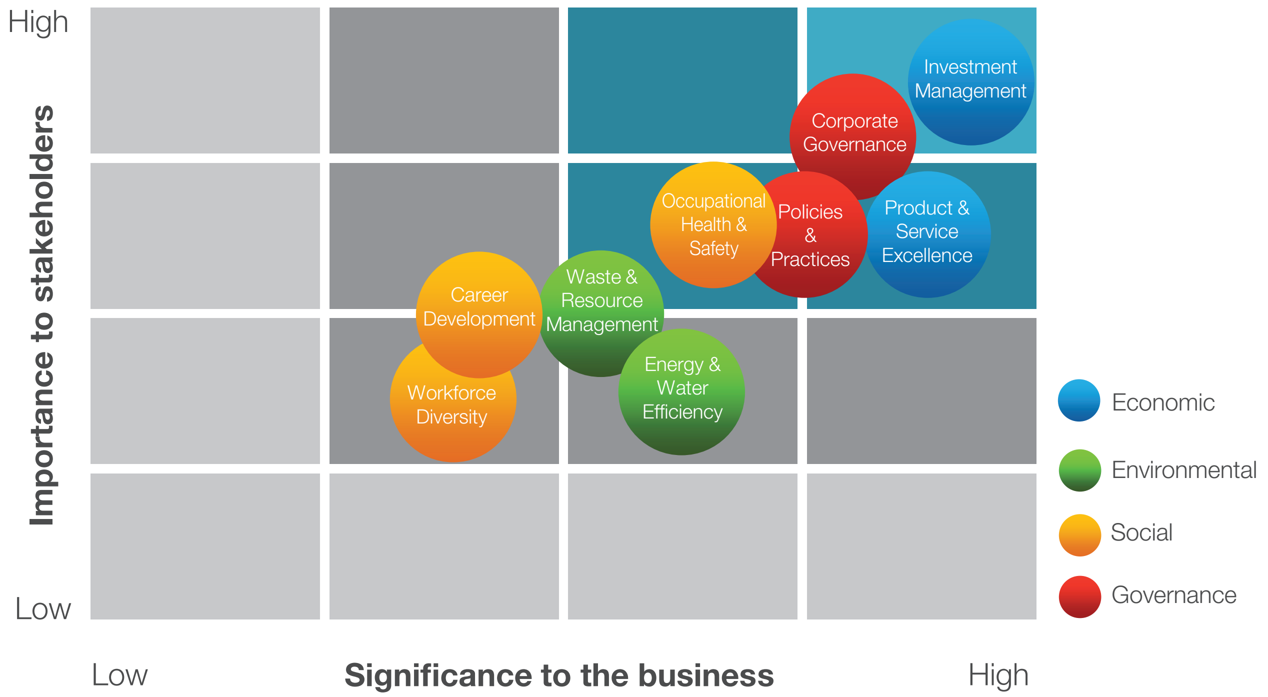
SUSTAINABILITY REPORT

Year ended 30 June 2020

Assessing Materiality

The Group conducted a materiality review against the results of prior's year materiality assessment with the same approach as disclosed in our previous Sustainability Reports. We calibrated our material ESG factors as illustrated in *Figure 2*:

Figure 2 – Material ESG Factors



Our list and prioritisation of ESG factors remain unchanged. However, the COVID-19 pandemic has caused deep and widespread disruptions to businesses and we have adjusted our policies and practices to help us navigate through the COVID-19 storm safely. Please refer to the updates on our policies and practices in the Social and Governance section of this Report.

SUSTAINABILITY REPORT

Year ended 30 June 2020

Strategies and Targets

We continue to address our present our strategies and targets in retrospect with our prior year targets as illustrated in *Figure 3* below.

Figure 3 – Strategies and Targets

ESG Factors	Prior year targets	Present year strategies	Present year targets
Product and service excellence	Improve and achieve the highest guest satisfaction rating among competitive set. Engage external assurance in conducting annual brand audits. Engage external assurance in conducting annual operational compliance audits.	Ensure guest satisfaction on quality of service standards by adopting our own Guest Management System, which allow us to track and trace our customers' satisfaction through service rating and highlight to us the potential complaints via monthly performance meeting. Conduct in-house operational compliance audits to consistently enhance service excellence standards.	Improve and achieve the highest guest satisfaction rating among competitive set. Engage external assurance in conducting annual brand audits. Engage external assurance in conducting annual operational compliance audits.
Investment management	Establish and grow presence in key markets such as Singapore, Malaysia, Hong Kong, Korea, Japan, Thailand and Indonesia.	Maintain focus on growing the hospitality business by pursuing an asset-light strategy, driven by franchise agreements and management contracts.	Pursue expansion through attaining three management contracts with at least one in Japan.
Waste and resource management **Energy and water efficiencies**	Develop waste management policy that will be subject to annual review. Monitor water and energy utilisation measurements for identifying potential wastage and inefficiencies. Quarterly sharing session to raise awareness and educate employees on saving the environment.	Replace existing operating bulbs and taps with energy and water conserving appliances, respectively, to measure consumption levels. Implement e-signing solutions and e-claims system to reduce paper consumption.	Develop waste management policy that will be subject to annual review. Monitor water and energy utilisation to identify potential wastage and inefficiencies.

SUSTAINABILITY REPORT

Year ended 30 June 2020

ESG Factors	Prior year targets	Present year strategies	Present year targets
Occupational Health and Safety	Maintain zero-accident in workplace through regular trainings and emergency drills conducted.	Ensure that hotel employees are familiar with the safety guidelines that are prepared in accordance to the respective country's workplace health and safety regulation. Ensure that all employees adhere to the COVID-19 Standard Operating Procedures ("SOPs") to safeguard every individual's well-being.	Maintain zero-accident in workplace through regular trainings and emergency drills conducted. Maintain compliance with the updated COVID-19 protocols to ensure safe practices in the current working environment.
Career Development	Formalise a training roadmap to guide our employees to desired standards. Developing an e-Training platform to allow employees to access learning materials on the go.	Provide employees with training and development opportunities through attending relevant courses and seminars. Employees to undergo annual performance reviews.	Formalise a training roadmap to guide our employees to desired standards. Developing an e-Training platform to allow employees to access learning materials on the go.
Workforce Diversity	Maintain a diverse workforce to better enhance business performance with diverse experience and knowledge shared by employees from different walks of life.	Have a workplace that encompasses different gender, race and ethnic groups with unique skillset and expertise.	Maintain a diverse workforce to better enhance business performance with diverse experience and knowledge shared by employees from different walks of life.
Corporate Governance **Policies and Practices**	Continuous compliance with the mandatory listing requirement on Board composition and the revised Code of Corporate Governance 2018. Maintain regular communications with shareholders to update on the business outlooks, operations and developments. Establish a comprehensive framework to assess individual hotel's level of compliance.	Diversity in Board composition and governance. Constant shareholders' communication through AGM, EGM, Annual Report, announcement and disclosures via SGXNet, webinars and etc. Establish a crisis management framework to proactively identify and address business operational risks.	Continuous compliance with the mandatory listing requirement on Board composition and the revised Code of Corporate Governance 2018. Maintain regular communications with shareholders to update on the business outlooks, operations and developments. Establish a comprehensive framework to assess individual hotel's level of compliance with regards to business operational risks.

SUSTAINABILITY REPORT

Year ended 30 June 2020

Risk and Opportunities

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

Figure 4 – Risk and Opportunities

	Risk	Opportunities	Approach
Economic	▪ Inability to keep up with fast changing trends on customers' preference and behaviour. ▪ Closure of hotels/low room occupancy due to impact brought by COVID-19.	▪ Achieve quality output, efficiency and uniformity of service performance. ▪ Pitch to standalone hotels regarding the benefits of branding. ▪ Grow other business segments within the hospitality industry.	▪ We aim to conduct brand audit in short to mid term and engage external assurance in the long run to enhance our service quality. ▪ We aim to establish and grow presence in key markets such as Singapore, Malaysia, Hong Kong, Korea, Japan, Thailand and Indonesia via asset-light strategy.
Environmental	▪ Non-compliance with regulatory requirements resulting to fines and penalties/business disruptions.	▪ Green hotels (use of energy efficient/ environmental friendly hotel fittings).	▪ We endeavour to draft a waste management policy and conduct regular trainings for employees on environmental awareness to better care for our environment. ▪ Implement technologies to reduce paper consumption. ▪ We continuously strive to implement green initiatives in hotels to encourage guests and employees to save energy and resources.
Social	▪ Guests and employees well-being are affected due to non-adherence of SOPs relating to COVID-19.	▪ Values employees' well-being. ▪ Expose employees to different cultures and experience. ▪ Retain key employees by sending them for career development courses. ▪ Leading employer of choice.	▪ We aim to create a safe working environment where we can maintain zero-accident in our workplace. ▪ We aim to play our part to combat the proliferation of COVID-19 through strict implementation of our COVID-19 protocols to comply with the government regulations. ▪ We want to broaden our skill base and communication skills through workforce diversification and career development courses.
Corporate Governance	▪ Financial losses as a result of business disruption. Reputational damage and legal implications due to data breaches.	▪ Trusted and long-term partnerships with stakeholders. ▪ Foster stakeholders' trust to higher levels by ensuring that all employees adhere to Policy and Practices. ▪ Investment in cyber security infrastructure.	▪ We stay focused to build up an extensive framework (i.e. crisis management plan and cybersecurity programme) to assess our hotel's level of compliance with regards to business operational risks. ▪ We strive to maintain compliance with the revised Code of Corporate Governance 2018 and diversity in board composition and governance. ▪ We maintain constant shareholders' communication through AGM, EGM, Annual Report, announcement and disclosures via SGXNet, webinars and etc. ▪ We ensure our hotels comply with SOPs in place.

ECONOMIC

Investment Management

Growing the hospitality business by pursuing an asset-light strategy continues to be the focal point of the Group, which is driven by franchising agreements and management contracts. The Group is a member of the Singapore Business Federation ("SBF"), Singapore Hotel Association and Malaysia Association of Hotels to help maximise our business values and opportunities within the country of operations and striving for business opportunities.

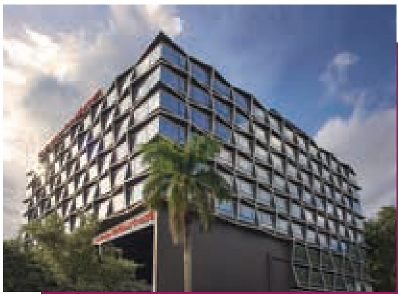
SINGAPORE BUSINESS FEDERATION
Apex Business Chamber

SUSTAINABILITY REPORT

Year ended 30 June 2020

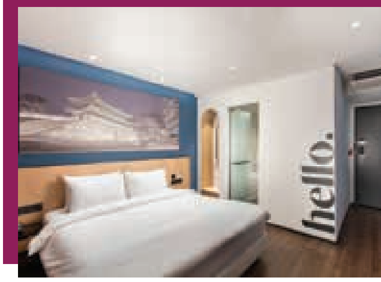
During the financial year, we are pleased to announce that the Group has rebranded their three managed hotels, shown in *Figure 5*, as follows:

Figure 5 – List of three managed hotels rebranded in FY2020



Travelodge Harbourfront Singapore, in August 2019

Travelodge Myeongdong City Hall, Korea in November 2019



Travelodge Ipoh, Malaysia in January 2020

We want to establish and grow our presence in key markets such as Singapore, Malaysia, Hong Kong, Korea, Japan, Thailand and Indonesia. Our business strategy is focussed on making equity investments to boost the Group's long-term value, through expanding our unique resources in areas where an organisation's expertise achieves the best return for investors.

The Group stays focussed on our planned expansion through winning three management contracts, with at least one in Japan.

Product & Service Excellence

Delivering safe and quality product and services is fundamental to the Group's branding. The Group is committed to compliance with our Services Design Standards and Guidelines (the "Guidelines").

The hospitality industry is facing tremendous challenges with business activities substantially placed on hold as a result of travel restrictions and border closures to curb the spread of COVID-19. However, this does not deter us from upholding our brand and striving for excellence.

The Group has started to conduct in-house operational compliance audit once every six months within the managed hotels to continue to strengthen the operational coherence within our brands. The operational compliance audit, rolled out in August 2020, is led by TLA's Chief Operating Officer ("COO") with the use of questionnaires to evaluate employees' adherence on existing standard operating procedures ("SOPs") and to further ascertain compliance with hotel visits.

Every feedback we received is treated with due diligence. The results are evaluated via the installation of survey tool, "Revinate", in all hotels and are highlighted during our monthly performance meeting. With the use of this data solutions system, we are able to capture all online review and social media mentions from TripAdvisor and Google. The Group reviews the collated data regularly to track guests' satisfaction and provide timely response for negative reviews.

SUSTAINABILITY REPORT

Year ended 30 June 2020

In the continuance of our pursuit to provide consistent and better value to our guests, we measure our guests' satisfaction translated in *Figure 6* below.

Figure 6 – Travelodge Ranking (as at 30 June 2020)

Regional Market	2019	2020
Travelodge Batam (Indonesia)	2%	1%
Travelodge Dongdaemun Seoul (Korea)	–	4%
Travelodge Pattaya (Thailand)	6%	5%
Travelodge Bukit Bintang (Malaysia)	22%	11%
Travelodge City Centre (Malaysia)	–	11%
Travelodge Sukhumvit (Thailand)	16%	15%
Travelodge Central Hollywood (Hong Kong)	17%	16%
Travelodge Myeongdong Euljiro (Korea)	–	23%

Source: Revinate

As at 30 June 2020, we stayed in the top 25% of hotel popularity index in our key regional markets. In addition, we have achieved an increase in the number of hotels within the top 25% hotel popularity index including our two hotels in Korea and one hotel in Malaysia.

Customer experience is a vital aspect of our business and it is our utmost priority is to meet and even exceed the expectations of our guests. For financial year 2020, we aim to improve and achieve the highest guest satisfaction rating among competitive set and to engage external assurance in conducting annual operational compliance and brand audits.

ENVIRONMENTAL

The Group sees a demand in millennials seeking eco-friendly options. We have undertaken commitments and imbued our green initiatives into our current practices to decrease environmental footprint and meet the demands of our valued guests.

WASTE AND RESOURCE MANAGEMENT

In our journey to formulate a Waste Management Policy, we have since rolled out an initiative during the reporting period to measure waste produced from our hotel operations on a monthly basis. We believe that such a monitoring mechanism and its results allow us to evaluate historical trends and fine-tune our current practices to efficiently allocate resources to all our managed hotels in a green manner.

The Group has also implemented e-signing solutions and e-claims system to further reduce paper consumption in the reporting period as an added measure, coupling with our existing online data storage practice.

SUSTAINABILITY REPORT

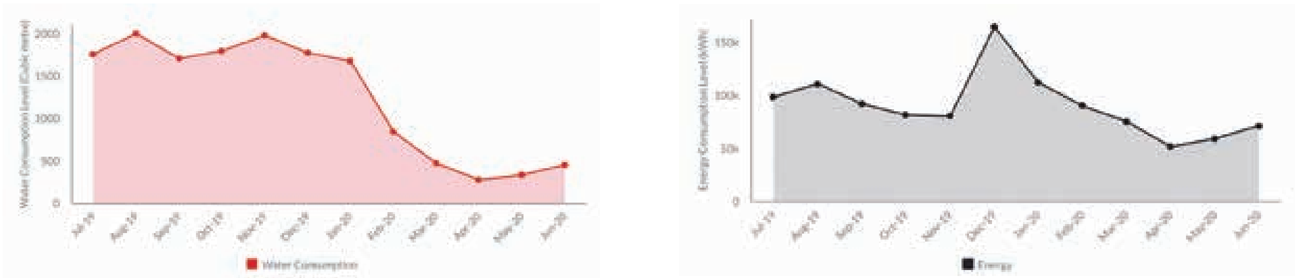
Year ended 30 June 2020

Energy and Water Efficiency

Setting up an eco-friendly practice attracts guests, be on the forefront of hospitality industry impacts not only the Group, but also around the world. The Group stays focussed to help combat climate change and to maximise stakeholders' value by standardising our practice to replace our lightbulbs and taps into energy and water conserving appliances, respectively, in our new and existing managed hotels by engaging eco-friendly suppliers (i.e. suppliers with Green Certificates).

The Group presents our water and energy consumption in our managed hotels in the following *Figure 7* below.

Figure 7 – Water and energy consumption level (FY2020)



The dip in water and energy consumption towards the end of the financial year ended 30 June 2020 is due to the reduction of hotel stay and temporary closure of the hotels as an impact brought by COVID-19 pandemic.

Nevertheless, the Group aims to raise awareness of environmental sustainability through the above practices to protect the environment for future generations.

SOCIAL

The Group firmly believes that a successful business and a strong sense of social responsibility for sustainable development should go hand-in-hand. We are mindful in all aspects of our business that we must ensure that our greatest assets – our guests and our employees, understand and benefit from what we do.

Occupational Health and Safety

Emphasis on our employees' health and safety of the Group is a baseline expectation. We are committed to provide employees with a secure and conducive working environment, and to join hands with our operators in safeguarding the health and well-being of our employees, especially during the COVID-19 pandemic.

We continue to stay vigilant and we work closely within our team to identify and rectify any potential workplace safety risks against the ever-evolving global landscape. Once again, we are pleased to share that there were zero incident of work-related ill health and injuries reported during the financial year.

SUSTAINABILITY REPORT

Year ended 30 June 2020

Essentially Safer: Clean and Care Programme

In light of the current COVID-19 situation, the Group has taken precautionary measures across our portfolio of TLA hotels in Asia. As part of our recovery plan, we introduced a proprietary Clean and Care Programme (the "Programme") to embed and communicate our efforts in prioritising the safety and peace-of-mind for all our guests and employees. Travelodge Harbourfront Singapore has successfully obtained the "SG Clean" certification and this reflects our commitment to maintaining high standards of environmental public hygiene at our premises.

The Group's approach is to ensure that our Programme is benchmarked against global standards, holding against protocols introduced by international hotel chains. The summary of the Programme is illustrated in *Figure 8* below.

This Programme is implemented for the hotels in operation and will be adopted by the rest of the managed hotels upon resumption of operations.

Figure 8 – Core Principles of Clean and Care Programme

Career Development

Career development plays a significant role in the current fast-changing and uncertain global economy. It is crucial to actively foster a culture of continuous learning in our workplace, enabling employees to acquire holistic skills and competencies to stay attuned and adapt effectively in the changing industry standards and demands.

The Group has performed an annual performance review to assess and identify the competency level, knowledge or skills gaps of all our employees in the reporting period.

We encourage a learning culture through providing employees with training and development opportunities in attending relevant courses and seminars. In addition, we have set a target to provide employees with a seamless e-Training platform which allows employees to access learning materials on-the-go. However, we are currently at the development stage due to challenges imposed by the COVID-19 pandemic. The goals to the development of e-Training platform and formalisation of training roadmap to guide our employees to desired standards remain the same for the next financial year.

SUSTAINABILITY REPORT

Year ended 30 June 2020

Workforce Diversity

The Group embraces workforce diversity and equal employment opportunity. We seek to attract and retain a diverse talent pool to bring in different experiences, knowledge and perspectives to better enhance business performance. The Group aims to maintain a workplace that encompasses diversity in gender, age, nationality and ethnic groups (as illustrated in *Figure 9 and 10*).

Figure 9 – Gender Diversity

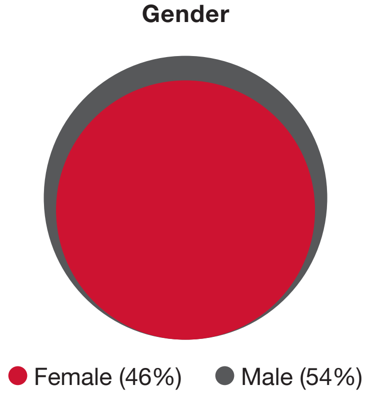
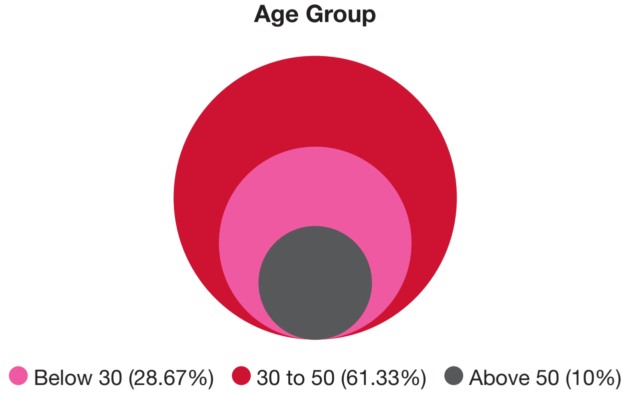


Figure 10 – Age Group Diversity



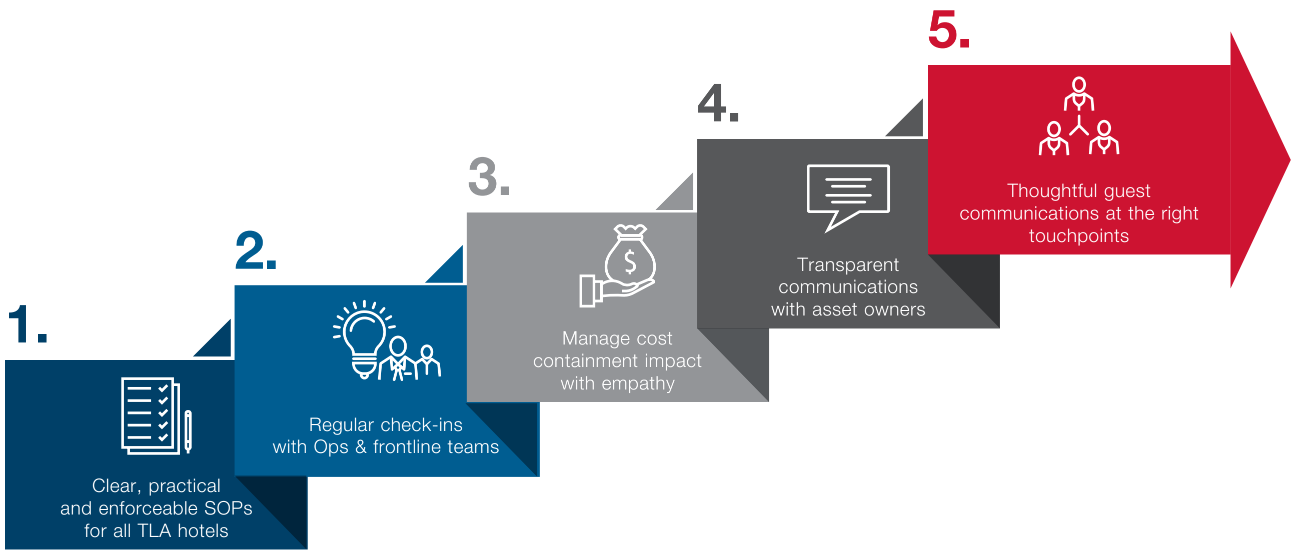
CORPORATE GOVERNANCE

Embracing good corporate governance and best practices in our business increases stakeholders' trust and confidence in the Group and enhances our value over time. We strive to maintain high standards of integrity, accountability and governance by establishing policies and having robust internal processes in place.

Crisis Management Plan

Our 5 key principles are embedded within the crisis management framework to help ensure a sound system of internal controls and risk management. This helps to safeguard the interest of the Group and that of our stakeholders. The following details the phased-in approach undertaken by the Group amidst the COVID-19 pandemic. Refer to Figure 11 for the crisis management framework.

Figure 11 – Crisis Management Framework



SUSTAINABILITY REPORT

Year ended 30 June 2020

The Group has taken the initiative to take precautionary measures in relation to hygiene and cleanliness, and cost management to minimise the impact experienced amid the pandemic. These initiatives are illustrated in Figure 12:

Figure 12 – Precautionary Measures in response to COVID-19

Cybersecurity and Data Protection

With cyber-attacks becoming more prevalent, targeted and complex, the Group is moving towards a more holistic framework in protecting our data and information technology ("IT") assets. The objective is to establish a robust foundation to identify and protect our critical data and IT assets, more importantly, to be able to detect and respond to threats timely. To step up the efforts on prevention of data intrusion, the Group manages personal data in compliance with the Singapore Personal Data Protection Act 2012 ("PDPA") and its equivalent in the country where the hotel operates.

Shareholders

In line with our strong emphasis on corporate governance, maximising long-term sustainability is a key priority to generate success in the Group. We continue to place emphasis in building investors' trust and confidence through web broadcast and two-way communication via webinars to have direct interaction with our shareholders to address their queries and key concerns.

Board of Directors ("Board")

We would like to thank Mr. Aw Cheok Huat for his service and contributions to the Group during his tenure as a Director and Non-Executive Chairman of the Group. Mr Aw retired from the Board at the conclusion of the Company's last Annual General Meeting held on 29 October 2019. Mr. Tan Kok Hiang, who is an Independent Director of the Group, has since been appointed to takeover the position as Non-Executive Chairman of the Group.

With the latest Board composition, the Group is committed to protect the best interests of our stakeholders and define our long-term business goals to ensure that we remain on track and in adherence to the Code of Corporate Governance standards 2018.

SUSTAINABILITY REPORT

Year ended 30 June 2020

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SUSTAINABILITY REPORT

Year ended 30 June 2020

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Tan Kok Hiang
Independent Non-Executive Chairman

Mr. Aw Ming-Yao Marcus
Executive Director

Mr. Ong Kok Wah
Independent Director

Mr. Koh Tien Gui
Independent Director

AUDIT COMMITTEE

Mr. Tan Kok Hiang
Chairman

Mr. Ong Kok Wah
Mr. Koh Tien Gui

NOMINATING COMMITTEE

Mr. Koh Tien Gui
Chairman

Mr. Tan Kok Hiang
Mr. Ong Kok Wah

REMUNERATION COMMITTEE

Mr. Ong Kok Wah
Chairman

Mr. Tan Kok Hiang
Mr. Koh Tien Gui

COMPANY SECRETARY

Ms. Ong Min'er
Ms. Chian Ee Ling

REGISTERED OFFICE

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

INDEPENDENT AUDITOR

Deloitte & Touche LLP
Public Accountants and Chartered Accountants, Singapore
6 Shenton Way, #33-00
OUE Downtown 2
Singapore 068809

Partner in charge: **Mr. Ronny Chandra**
Date of appointment: Since financial year 2020

PRINCIPAL BANKERS

DBS Bank

United Overseas Bank Limited

SHARE REGISTRAR

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

CONTINUING SPONSOR

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

Registered Professional: **Mr. Shervyn Essex**

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 provisions as set out in the 2018 Code of Corporate Governance (the "**2018 Code**"), where appropriate. Where the Company's practices vary from any provisions of the 2018 Code, it must explicitly state, in its annual report, the provision from which it has varied, explain the reason for variation, and explain how the practices it had adopted are consistent with the intent of the relevant principle.

This report describes the Group's corporate governance practices that were in place within financial year ended 30 June 2020 ("**FY2020**").

BOARD MATTERS
The Board's Conduct of Affairs
Principle 1: The Company is headed by an effective board which is collectively responsible and works with Management for the long-term success of the company.

The Company is led by a Board of Directors who collectively possess skills, experience, insights and sound judgement, to further serve the interests of the Group.

The Board is collectively responsible for the long-term success of the Group. It assumes responsibility for stewardship of the Group. The Board oversees the business affairs of the Group and provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. 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 evaluating the adequacy of internal control, risk management, financial reporting and statutory compliance;

(e) providing guidance in the overall management of the business, affairs of the Group, constructively challenge Management 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;

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

(h) examining sustainability issues as part of the strategic formulation; instil an ethical corporate culture and ensure that the company's values, standards, policies and practices are consistent with the culture; and

(i) ensuring transparency and accountability to key stakeholder groups

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

REPORT ON CORPORATE GOVERNANCE

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 setting out their compositions, authorities and duties, including reporting back to the Board, which are headed by Independent Directors:

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

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

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

The Board accepts that while these board committees have the authority to examine particular issues and will report to the Board their decisions and recommendations, the ultimate responsibility for the final decision on all matters lies with the entire Board. Directors have separate and independent access to Management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the Board as a whole. 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. Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

Directors attend and actively participate on board and board committee meetings. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

The number of board and board committee meetings held during FY2020, as well as the attendance of each director at these meetings is set out below:

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

(1) Mr. Aw Cheok Huat retired as Non-Executive Chairman of the Company with effect from 29 October 2019.

(2) Attended by invitation.

REPORT ON CORPORATE GOVERNANCE

Specific matters which requires the Board's approval include:

(a) Policies, strategies and objectives of the Group;

(b) announcement of half year and full year financial results and release of annual reports;

(c) issuance of shares;

(d) interim dividend declaration and proposal of final dividend;

(e) convening of shareholders' meetings;

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

(g) any other transactions of a material nature.

The above matters must be approved by the Board. Clear written directions have been imposed on and communicated to Management.

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

The Company has established policy on conflicts of interest to guide directors in their dealings with any conflict of interest and fulfilling their disclosure obligations. A director, who is in a position of conflict or potential conflict, is required to disclose his position or potential position of conflict, to recuse himself and not participate in the discussion and decision on the conflict or potential conflict related matter.

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

Directors are regularly updated on relevant new laws, regulations and changing commercial risks from time to time. They are encouraged to attend trainings or seminars that are useful and relevant to them to develop their skills and knowledge in discharging their duties at Company's expense. The Board is of the view that it is important that directors keep abreast of the business of the Group, the markets that the Group operates in, and developments in regulatory, legal and accounting frameworks that are relevant to the Group. Briefings are conducted by Management and the costs of which are borne by the Group.

BOARD COMPOSITION AND GUIDANCE
Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The current Board comprises four (4) directors, three (3) of whom are Independent Directors. The NC has ensured that a majority of the Board is made up of Independent Non-Executive Directors in order to comply with Provision 2.3 of the 2018 Code.

Mr. Aw Ming-Yao Marcus	*Executive Director*
Mr. Tan Kok Hiang	*Independent Director and Non-Executive Chairman*
Mr. Koh Tien Gui	*Independent Non-Executive Director*
Mr. Ong Kok Wah	*Independent Non-Executive Director*

REPORT ON CORPORATE GOVERNANCE

The NC makes recommendations to the Board on the appointments of directors to the Board, taking into consideration the guidance provided in the 2018 Code.

Rule 406(3)(d) of the Catalist Rules provides circumstances for which a director will not be independent, including if he is employed by the issuer or any of its related corporations for the current or any of the past three (3) financial years. Under the 2018 Code, there have been revisions to the description of an "independent" director. A director who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company is considered to be independent.

The NC is responsible for assessing whether or not a director is independent each year and as and when the circumstance requires, bearing in mind the guidelines set forth in the 2018 Code. Each of the Independent Directors has provided a declaration of his independence to the NC. The NC has reviewed, determined and confirmed the independence of the Independent Directors in respect of FY2020. In particular to Mr. Ong Kok Wah's independence assessment, notwithstanding his several directorships in the Company's subsidiaries as disclosed under page 51 of this annual report and his shareholding interest in the Company and one of its subsidiaries, the Board, with concurrence of the NC, has assessed that Mr. Ong is independent in accordance with provision 2.1 of the 2018 Code. The NC has taken into consideration that his shareholding interest in the Company is less than 5% and he is not involved in the day-to-day operations of the subsidiaries as his directorships in the subsidiaries are of non-executive nature.

As of the end of FY2020, none of the Independent Directors has served more than nine (9) years since the date of their first appointment.

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

The Board comprises members with diverse expertise, knowledge, skills and experience in business and management, law, accounting and finance. Key information on the directors is set out on page 6 and 7 of the Annual Report.

The Company is in the process of having in place a Board Diversity Policy which will set out the approach to achieve diversity of the Board. On an annual basis, the NC review the appropriateness of the current Board size and composition, taking into consideration the nature and scope of the operations as well as the regulatory environment of the Group and, where appropriate, makes recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that there is an appropriate composition of members of the Board with suitably diverse backgrounds to meet the Group's operational and business requirements. The Board recognises the importance of an appropriate balance and diversity of skills, experience, gender, age, knowledge and professional qualifications in building an effective board. For this purpose, the NC reviews the Board's collective skills matrix regularly.

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.

During FY2020, the Independent Directors (led by the Non-Executive Chairman) met regularly without the presence of management, and when required, provided feedback to the Board and/or Chairman as appropriate after such meetings.

REPORT ON CORPORATE GOVERNANCE

CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")
Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Board had appointed Mr. Tan Kok Hiang as an Independent Non-Executive Chairman since 19 November 2019.

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

The Chairman is responsible for:

- leading board discussions and deliberation;
- approving the agendas for board meetings;
- 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.

BOARD MEMBERSHIP/BOARD PERFORMANCE
Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.
Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

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

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

REPORT ON CORPORATE GOVERNANCE

The NC is guided by its Terms of Reference which sets out its responsibilities. In particular, the NC makes recommendations to the Board on matters relating to:

(a) the appointment and re-appointment of executive and non-executive directors;

(b) the Board structure, size and composition in accordance to the 2018 code;

(c) the process for search, nomination, selection and appointment and re-appointment of directors;

(d) independence of each director on an annual basis and as and when circumstances require;

(e) the effectiveness and performance of the Board, board committees and its directors as a whole;

(f) the review of succession plans for directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(g) the process and criteria for evaluation of the performance of the Board, its board committees and directors; and

(h) review of training and professional development programmes for the Board and its directors.

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

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

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

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

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

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

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

REPORT ON CORPORATE GOVERNANCE

There is no alternate director on the Board.

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

Key information on each director's position, date of initial appointment, date of last re-election and directorships/ chairmanships held by the directors in other listed companies are as follows:

Name of directors	Date of initial appointment	Date of last re-election	Current directorship in listed companies	Past directorship in listed companies (preceding three years)
Tan Kok Hiang	2 March 2012	24 October 2018	Enviro-Hub Holdings Ltd. LHT Holdings Limited Transit-Mixed Concrete Ltd	–
Aw Ming-Yao Marcus	5 November 2018	29 October 2019	–	–
Ong Kok Wah	21 January 2013	30 October 2017	Polaris Ltd.	–
Koh Tien Gui	5 November 2018	29 October 2019	–	–

The principal commitments of the directors, if any, and other key information regarding the directors are set out in the Board of Directors' profile section in page 6 & 7 of this annual report.

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

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 and the contribution of the Chairman and each individual director. The evaluation process is undertaken as an internal exercise and involves board members completing a questionnaire covering areas such as board's composition and conduct, board's processes and procedures, board's accountability, and evaluation and succession planning of key executives.

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

For FY2020, the NC has performed the duties as required under its Terms of Reference. In particular, the NC has assessed the contribution of each individual director to the effectiveness of the Board and is of the view that each director had adequately carried out his duties and contributed effectively to the Board.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 109, Mr. Ong Kok Wah is retiring at the forthcoming AGM. The NC has recommended to the Board that Mr. Ong Kok Wah be nominated for re-election at the forthcoming AGM. The Board and the NC have endeavoured to ensure that the director appointed to the Board possesses the relevant experience, knowledge and expertise critical to the Group's business.

REMUNERATION MATTERS
PROCEDURES FOR DEVELOPING REMUNERATION POLICIES
Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

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

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

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

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

(b) reviews and recommend to the Board the specific remuneration packages for each director as well as for key management personnel.

The RC has the liberty to seek professional advice relating to the remuneration of all directors as and when required. The RC did not engage any external remuneration consultant in FY2020.

The RC also considers all aspects of remuneration, including termination terms, to ensure fairness. 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. None of the members of the RC or any director is involved in deliberations in respect of any remuneration, compensation or any form of benefits to be granted to him or someone related to him.

Level and mix of remuneration
Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The RC seeks to establish a framework for attracting, retaining and motivating directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term. In reviewing the level and mix of remuneration, a significant and appropriate proportion of Executive Directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance, based on an annual appraisal of employees. Performance-related remuneration is aligned with the interest of shareholders and other stakeholders and promotes the sustainability of the Company in the long term.

REPORT ON CORPORATE GOVERNANCE

The remuneration structure for the Executive Director and key management personnel mainly consists of the following components:

1. Fixed remuneration which comprises basic salary, statutory employer's contributions to the Central Provident Fund and fixed allowances. In determining remuneration packages, the Group takes into account employment and pay conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individual director and key management personnel.

2. Variable bonus which is an annual remuneration component that varies according to the Group's and the individual's performance objectives. The performance objective of the Group is profit before tax as the RC believes that this best reflects the financial health and performance of the Group's business and is also a key performance measure used by other companies in similar industry.

The Non-Executive Directors receive a basic fee and additional fee for serving on any of the board committees. The remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

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

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

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

Disclosure on remuneration
Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

<u>Remuneration of Executive Director</u>

Details of the remuneration of Executive Director for FY2020 are set out below:

	Remuneration(1) %	Provident Fund(2) %	Total Cash and Benefits(3) %
Remuneration Band Between S$250,000 to S$500,000			
Aw Ming-Yao Marcus	94.20	5.80	100

Notes:
(1) Remuneration refers to base salary and variable bonus earned for the financial year ended 30 June 2020.
(2) Provident fund represents payments in respect of company statutory contributions to the Singapore Central Provident Fund.
(3) Total cash and benefits is the sum of fixed remuneration, variable bonus, provident fund and benefits for the financial year ended 30 June 2020.

REPORT ON CORPORATE GOVERNANCE

Remuneration of Non-Executive Directors

The Non-Executive Directors receive directors' fees, in accordance with their contributions, effort and time spent for serving the Board and board committees. For FY2020, directors' fees of S$81,337 are recommended by the Board and are subject to the approval of shareholders at the forthcoming AGM. The Non-Executive Directors are not entitled to receive remuneration apart from directors' fees.

The director's fees for Non-Executive Directors for FY2020 are set out below:

Director	Director's Fees (S$)
Mr. Aw Cheok Huat[1] (Retired on 29 October 2019)	11,587
Mr. Tan Kok Hiang	27,750
Mr. Ong Kok Wah	21,000
Mr. Koh Tien Gui	21,000
	81,337

(1) Director's fees for Mr. Aw Cheok Huat is pro-rated.

Remuneration of Key Management Personnel

The breakdown of the remuneration (in percentage terms) of the top two[4] key management personnel for FY2020 is set out in the table below.

Name	Remuneration[1] (%)	Provident Fund[2] (%)	Total Cash & Benefits[3] (%)
Remuneration Band Below S$250,000			
Ong Min'er	89.10	10.90	100
Chan Chai Teck Steven (appointed on 7 January 2020)	94.40	5.60	100

Notes:

(1) Remuneration refers to base salary and variable bonus earned for the financial year ended 30 June 2020.

(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 2020.

(4) The Group has only two key management personnel.

Provision 8.1(b) of the 2018 Code recommends that the company discloses the names, amounts and breakdown of remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S$250,000. In addition, Provision 8.1(b) of the 2018 Code also recommends that the company discloses the aggregate of the total remuneration paid to the top five key management personnel (who are not directors or the CEO). Due to confidentiality reasons, the Company shall not fully disclose the remuneration of the Executive Director and the top five key management personnel on a named basis. Instead, the remuneration paid to the Executive Director and the top five key management personnel for the financial year shall be presented in bands of S$250,000.

REPORT ON CORPORATE GOVERNANCE

Similarly, the Board is of the view that full disclosure of the exact details of the remuneration of each of the key managers is not in the best interests of the Company or its shareholders. In arriving at its decision, the Board had taken into consideration, *inter alia*, the commercial sensitivity and confidential nature of remuneration matters, the relative size of the Group, the competitive business environment in which the Group operates, the importance of ensuring stability and continuity of business operations with a competent and experienced management team in place and the negative impact which such disclosure may have on the Group in attracting and retaining talent for the Company on a long-term basis.

Saved as disclosed above, there is no other employee whose remuneration exceeded S$100,000 in FY2020, and who is a substantial shareholder of the Company, or who is an immediate family member of a director or the CEO or a substantial shareholder of the Company.

Mr Aw Ming-Yao Marcus is the immediate family member of a substantial shareholder of the Company. He is eligible to participate in the ICP Performance Share Plan.

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

ACCOUNTABILITY AND AUDIT
RISK MANAGEMENT AND INTERNAL CONTROLS
Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

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 Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation.

The Audit Committee ensures that a review of the effectiveness and adequacy 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:

(a) the Executive Director and the Financial Controller 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) the Executive Director and other key management personnel who are responsible 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 FY2020.

REPORT ON CORPORATE GOVERNANCE

AUDIT COMMITTEE
Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.

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

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

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

(a) reviews the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance before submission to the Board;

(b) reviews and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;

(c) reviews the adequacy and effectiveness of the Group's internal audit function at least annually, including the adequacy of internal audit resources and its appropriate standing within the Group, as well as the scope and the results of the internal audit procedures;

(d) reviews the scope and results of the external audit, independence and objectivity of the external auditors;

(e) recommends to the Board on the proposals to the shareholders relating to the appointment, reappointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors. Review Interested Person Transactions and ensures that such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company or its minority shareholders.

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

The AC comprises at least three (3) directors, all of whom including the AC Chairman are non-executive and independent. Members of AC, including the AC Chairman, have recent and relevant accounting or related financial management expertise or experience. The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two (2) years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

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.

REPORT ON CORPORATE GOVERNANCE

The AC is responsible for making the necessary recommendations to the Board such that an opinion regarding the adequacy and effectiveness of the risk management systems and internal controls of the Group can be made by the Board in the annual report of the Company according to the requirements in the Listing Manual and the 2018 Code.

The AC has reviewed the adequacy and effectiveness of the internal audit function. The AC approves the appointment, removal, evaluation and compensation of internal auditors. The Company has engaged an independent accounting firm, Kreston David Yeung PAC, as the internal auditors of the Group. The internal auditors' primary line of reporting is to the AC. Administratively, the internal auditors report to the financial controller. The internal auditors carry out their function in accordance to the standards set by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC. The internal audit plan is reviewed and approved by the AC. All internal audit findings, recommendations and status of remediation, are circulated to the AC, the external auditors and the Management.

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

The AC is satisfied with the level of co-operation rendered by the Management to the external auditors and the adequacy of the scope and quality of their audit.

The aggregate amount of fees paid or payable to the external auditors for the financial year ended 30 June 2020 was as follows:

Audit fees	S$110,000
Non-audit fees	Nil

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

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

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

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

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

The Company's auditors, Deloitte & Touche LLP, are the auditors of the Group for FY2020.

REPORT ON CORPORATE GOVERNANCE

SHAREHOLDER RIGHTS AND ENGAGEMENT
MANAGING STAKEHOLDERS RELATIONSHIPS
Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.
Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.
Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

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

Information is communicated to shareholders on a timely basis through:

(a) annual reports and circulars;

(b) announcements released through SGXNET;

(c) notices of general meetings; and

(d) press releases.

A general meeting is a principal forum for dialogue with shareholders. All shareholders are entitled to attend general meetings and are accorded the opportunity to participate effectively at general meetings by expressing their views and asking questions on the Company's affairs and operations. All directors and external auditors are usually present at general meetings to address shareholders' queries.

The Constitution of the Company allows a member (other than a relevant intermediary as defined in section 181 of the Companies Act) to appoint up to two (2) proxies to attend and vote at its general meetings. The Companies Act allows relevant intermediaries which 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.

Provision 11.4 of the 2018 Code recommends that the Company's Constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders. The Company's Constitution does not contain provisions to allow for absentia voting at general meetings of shareholders, but it allows all shareholders to appoint proxies to attend general meetings and vote on their behalf. This is a variation from Provision 11.4 of the 2018 Code. Principle 11 of the 2018 Code recommends that the company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects. Notwithstanding the variation from Provision 11.4 of the 2018 Code, the Company is of the view that the intent of Principle 11 is still met as the existing arrangement whereby shareholders have the right to appoint proxies to attend general meetings and vote on their behalf enables shareholders to exercise their rights and have the opportunity to vote even if they are unable to attend in person. As the authentication of shareholder identity information and other related security issues still remain a concern, the Group has decided, for the time being, not to implement voting in absentia mail, email or fax. To safeguard shareholder interests and rights, a separate resolution is proposed on each substantially separate issue at general meetings.

REPORT ON CORPORATE GOVERNANCE

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 FY2020 in order to conserve and build capital. Any dividend payout is clearly communicated to shareholders in public announcements and via announcements on SGXNet when the Company discloses its financial results.

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

The proceedings of the general meeting are properly recorded, including relevant comments and queries from shareholders relating to the agenda of the meeting and responses from the Board and Management. All minutes of the general meetings will be made available to shareholders upon request. The Group values dialogue session with its shareholders and believes in hearing shareholders' views on matters affecting the Company and addressing their concerns.

Provision 11.5 of the 2018 Code recommends that the Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. For FY2020, the Company intends to record the minutes of general meetings that include relevant and substantial comments or queries from shareholders relating to the agenda of the meetings and responses from the Board and Management. The Company's usual practice is that such minutes, subsequently approved by the Board, will not be made available by the Company on its corporate website, but will be available to shareholders upon their request in accordance with the Companies Act. This is a variation from Provision 11.5 of the 2018 Code. Notwithstanding the variation from Provision 11.5 of the 2018 Code, the Company is of the view that the intent of Principle 11 is still met as the provision of copies of the minutes to shareholders upon their request made in accordance with the Companies Act would achieve the same effect of treating all shareholders fairly and equitably and giving shareholders a balanced and understandable assessment of its performance, position and prospects. Also, as attendance at the Company's general meetings is generally limited to shareholders, the Company is of the view that the current practice is sufficient to address the needs of shareholders who wish to request for copies of the minutes of the general meetings in line with Principle 11 in the 2018 Code.

Pursuant to the requirement of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, for FY2020 AGM, the Company will be publishing the AGM minutes within one (1) month on the SGXNet.

The Company has an internal investor relations function which focuses on facilitating communications with shareholders and analysts on a regular basis, attending to their queries or concerns and keeping them apprised of the Group's corporate developments and financial performance. A specific email address has been designated for such communication and shareholders and analysts' queries are attended to promptly.

REPORT ON CORPORATE GOVERNANCE

DEALINGS IN COMPANY'S SECURITIES

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

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

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

INTERESTED PERSON TRANSACTIONS

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

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

Except those as announced via SGXNet and as disclosed in Note 31 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.

Principle 13 of the 2018 Code requires the Board to adopt an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served. The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups. The company maintains a current corporate website to communicate and engage with stakeholders.

In this connection, the Company has considered and sought to balance the needs and interests of material stakeholders. The details of the Company's engagement with stakeholders are set out in the Company's Sustainability Report.

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 FY2020 or if not then subsisting, entered into since the end of the previous financial year.

CATALIST SPONSORS

There were no non-sponsor fees paid to the Company's Sponsor, RHT Capital Pte. Ltd. for FY2020.

REPORT ON CORPORATE GOVERNANCE

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

Pursuant to Rule 720 (5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating to Mr. Ong Kok Wah, being the director who is retiring in accordance with the Company's Constitution at the forthcoming AGM is set out below:

Name of Director	Ong Kok Wah
Date of Initial Appointment	21 January 2013
Date of last re-appointment (if applicable)	30 October 2017
Age	73
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process).	The re-election of Mr. Ong Kok Wah ("Mr. Ong") as the Independent Director of the Company was recommended by the NC and the Board reviewed assessed and concluded that Mr. Ong possesses the requisite experience and capabilities to carry out his duties as an Independent Director.
Whether appointment is executive, and if so, the area of responsibility	Non-executive
Job Title	Independent Director
Familial relationship with any director and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflicts of interests (including any competing business)	No
Professional Qualifications	Nautical Studies at Singapore Polytechnic
Working experience and occupation(s) during the past 10 years	2010 – Present Polaris Ltd. – Non-executive Chairman and Independent Director 1987 – 2010 CH Offshore Ltd – Executive Director/CEO & Director/Non-Executive Director 2001 – 2017 Super Components (Singapore) Pte Ltd – Director 1993 – 2016 The Shipowners' Mutual Protection and Indemnity Association (Luxembourg)(Singapore Branch) – Director
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes

REPORT ON CORPORATE GOVERNANCE

Name of Director	Ong Kok Wah
Other Principal Commitments Including Directorship	Past: 1. Super Components (Singapore) Pte Ltd 2. The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) (Singapore Branch) Present: 1. Ascendent Technologies Pte. Ltd. 2. Fral Ballistics Pte. Ltd. 3. FM2TV (HQ) Pte. Ltd. 4. GMT Bravo Pte. Ltd. 5. GMT Charlie Pte. Ltd. 6. Mercatus Biomedical Investments Pte. Ltd. 7. Midscale Hotel Investments Pte. Ltd. 8. MHI HK 1 Pte. Ltd. 9. MHI MY 1 Pte. Ltd. 10. Polaris Ltd. 11. Pellucid Networks Pte. Ltd. 12. Purplestream Convergence Pte. Limited 13. Travelodge Hotels (Asia) Pte. Ltd.
Shareholding interest in the listed issuer and its subsidiaries	Yes ICP Ltd. – 35,600,000 shares (1.14%) MHI MY1 Pte. Ltd – 87 shares (5.8%)
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him	No

REPORT ON CORPORATE GOVERNANCE

Name of Director	Ong Kok Wah
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No

REPORT ON CORPORATE GOVERNANCE

Name of Director	Ong Kok Wah
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iii) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(K) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please provide details of any training undertaken in the roles and responsibilities of a director of a listed Company.	Yes, he is a current director of the company.

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of ICP Ltd (the "Company") and its subsidiaries (collectively, the "Group") and statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2020.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 65 to 141 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 2020, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, having regard to the matters referred to in Note 2.2 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Tan Kok Hiang	Independent Director and Non-Executive Chairman
Aw Ming-Yao Marcus	Executive Director
Koh Tien Gui	Independent and Non-Executive Director
Ong Kok Wah	Independent and Non-Executive Director

Directors' Interests in Shares and Debentures

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 except as follows:

	Shareholdings registered in name of director			Shareholdings in which directors are deemed to have an interest		
Name of directors and companies in which interests are held	**At 1 July 2019**	**At 30 June 2020**	**At 21 July 2020**	**At 1 July 2019**	**At 30 June 2020**	**At 21 July 2020**
The Company						
Ordinary shares ('000)						
Aw Ming-Yao Marcus	–	–	–	100,000[i]	100,000[i]	100,000[i]
Ong Kok Wah	35,600	35,600	35,600	–	–	–
Tan Kok Hiang	800	800	800	–	–	–

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

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

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.

DIRECTORS' STATEMENT

ICP Performance Share Plan

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

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

Mr. Ong Kok Wah (Chairman)
Mr. Tan Kok Hiang
Mr. Koh Tien Gui

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

Information regarding the Scheme is set out below.

Principal terms of the Scheme

(i) Participants

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

(ii) Size of the Scheme

The aggregate number of shares over which the Committee may grant under the Scheme ("Awards"), when added to the number of shares issued and issuable in respect of all Awards granted under the Scheme, shall not exceed 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.

DIRECTORS' STATEMENT

ICP Performance Share Plan (Continued)

Principal terms of the Scheme (Continued)

(v) Termination of Awards

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

(vi) Duration of the Scheme

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

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

Audit Committee

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

Tan Kok Hiang (Chairman)
Koh Tien Gui
Ong Kok Wah

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

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

- The effectiveness of the Group's management of financial business risks and the reliability of management reporting;
- Compliance with laws and regulations, particularly those of the Companies Act, 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).

DIRECTORS' STATEMENT

Audit Committee (Continued)

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

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

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

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

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

Auditors

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

On behalf of the directors

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Tan Kok Hiang

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Aw Ming-Yao Marcus

14 September 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICP LTD

Report on the audit of the financial statements

Opinion

We have audited the financial statements of ICP Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 65 to 141.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for opinion

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

Other Matter

The financial statements of the Group and Company for the year ended 30 June 2019 were audited by another firm of auditors who expressed an unmodified opinion in their report dated 20 September 2019.

Key audit matters

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICP LTD

Report on the audit of the financial statements (Continued)

Key audit matters (Continued)

Going concern basis of accounting (Refer to Note 2.2 to the financial statements)	
The key audit matter	*How the matter was addressed in our audit*
The Group incurred a net loss of S$1,324,000 for the year ended 30 June 2020. As at 30 June 2020, one of the subsidiaries of the Group has a bank loan with a carrying amount of S$19,266,000, which is secured by the hotel property and freehold land with a carrying amount of S$31,595,000. As at 30 June 2020, the subsidiary did not meet one of the bank financial covenants in relation to the loan and the bank granted a waiver before the end of the reporting period. Amidst the present market slow-down due to the COVID-19 pandemic, the Group's cash flows and performance in the hospitality segment have been impacted adversely as there is still uncertainty when the travel restrictions will be lifted by the relevant authorities. As disclosed in Note 2.2 to the financial statements, having considered the cash flows forecast prepared, management believes that the Group can continue as a going concern for at least the next twelve months from the date of our report and that there is no material uncertainty related to going concern. In preparing the forecast, management has assumed that waiver of the financial covenant will continue to be granted by the bank for the financial year ending 30 June 2021. In addition, subsequent to the financial year ended 30 June 2020, the Group obtained a temporary bridging loan facility to ensure adequate working capital is available. As the going concern assessment involves significant judgements and consideration of future events, we have identified this to be a key audit matter.	We evaluated management's assessment of the Group's ability to continue as a going concern by performing a review of the cash flows forecast prepared by management, up to September 2021. We assessed the reasonableness of the key assumptions used in developing these forecasts (primarily revenue and expenses) by comparing to historical and available market information, and performed a stress-test on those key assumptions. We considered the adequacy of the related disclosures in Note 2.2 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICP LTD

Report on the audit of the financial statements (Continued)

Key audit matters (Continued)

Valuation of intangible – trademarks (S$5.1 million) (Refer to Note 7 to the financial statements)	
The key audit matter	*How the matter was addressed in our audit*
The Group holds the registered trademark rights to the "Travelodge" hotel brand name in the Asia Pacific region, excluding Australia and New Zealand. The trademark has an indefinite useful life and is tested for impairment annually. The valuation of the trademark rights is assessed as part of the Group's Hotel Development Operation ("Hotel Development CGU") under the Hospitality Segment. The trademark rights are the primary asset in the Hotel Development CGU. Management applied the discounted cash flow method in determining the value-in-use of the trademarks. Management judgement is required in estimating the forecasted revenue of the hotels taking into consideration the COVID-19 pandemic, which includes the following key assumptions: the average growth rates for the number of hotel rooms being operated, average room occupancy rate, discount rates and terminal growth rate. Changes in these estimates will impact the value-in-use of the trademarks.	We evaluated the key assumptions used by management in the value-in-use computation of the Hotel Development CGU, based on our understanding of the Group's hospitality business and comparing to industry data. We discussed with management the Group's planned growth strategies, which included a comparison of the Group's plan against the actual progress, so as to assess the reasonableness of the forecasted revenue. We performed stress-test on the key assumptions used in developing the revenue forecast by comparing to historical and available market information. We engaged our internal valuation specialist to review the appropriateness of the discount rates used by management in the value in use calculations. We considered the adequacy of the required disclosures in Note 7 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICP LTD

Report on the audit of the financial statements (Continued)

Key audit matters (Continued)

Valuation of goodwill and vessels (inclusive of dry-docking expenditures) (S$1.2 million and S$12.1 million respectively) (Refer to Note 7 and Note 6 to the financial statements)	
The key audit matter	*How the matter was addressed in our audit*
The Group's vessels chartering segment comprises two cash-generating units ("CGUs"), namely GMT Bravo Pte. Ltd. and GMT Charlie Pte. Ltd. These CGUs are tested for impairment annually. The recoverable amounts of the CGUs, including allocated goodwill, are determined using the value-in-use approach, which is based on the discounted cash flow estimated by management. In determining the recoverable amounts, management judgement is required in estimating the future vessel charter revenues and discount rates of the CGUs. In management's estimated discounted cash flow, management estimated that future vessel charter rates can be maintained at the current charter rates, of which management assessed that the level of demand for these vessels will be sustained. Changes in these estimates will impact the value-in-use of the CGUs.	We evaluated the key assumptions used in determining the value-in-use of the two CGUs, based on our understanding of the Group's vessels chartering business and comparing the estimates against historical and market trends. We performed stress-test on the key assumptions that are most sensitive to changes, in particular charter income. We engaged our internal valuation specialist to review the appropriateness of the discount rates used by management in the value in use calculations. We considered the adequacy of the required disclosures in Note 7 to the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICP LTD

Report on the audit of the financial statements (Continued)

Responsibilities of management and directors for the financial statements

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICP LTD

Report on the audit of the financial statements (Continued)

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ICP LTD

Report on other legal and regulatory requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Ronny Chandra.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

14 September 2020

STATEMENTS OF FINANCIAL POSITION

30 June 2020

	Note	Group 2020 S$'000	Group 2019 S$'000	Company 2020 S$'000	Company 2019 S$'000
Non-current assets					
Property, plant and equipment	6	**46,621**	47,610	**–***	1
Intangible assets	7	**6,266**	5,892	**–***	2
Investment in subsidiaries	8	**–**	–	**8,300**	17,792
Associate and joint venture	9	**13**	26	**–**	–
Other investments	10	**745**	1,011	**745**	1,011
Other receivables	11	**1,716**	1,628	**18,073**	13,107
Right-of-use assets	12	**300**	–	**–**	–
Total non-current assets		**55,661**	56,167	**27,118**	31,913
Current assets					
Trade and other receivables	11	**2,014**	2,840	**8,292**	12,386
Inventories		**74**	96	**–**	–
Cash and cash equivalents	13	**4,050**	3,380	**1,106**	1,946
Total current assets		**6,138**	6,316	**9,398**	14,332
Total assets		**61,799**	62,483	**36,516**	46,245
Capital, reserves and non-controlling interests					
Share capital	14	**87,434**	87,434	**87,434**	87,434
Reserves	15	**(60,095)**	(58,955)	**(52,808)**	(51,612)
Equity attributable to owners of the Company		**27,339**	28,479	**34,626**	35,822
Non-controlling interests	16	**4,177**	4,439	**–**	–
Total equity		**31,516**	32,918	**34,626**	35,822
Non-current liabilities					
Loans and borrowings	18	**18,903**	–	**–**	–
Amounts due to non-controlling interests	19	**6,005**	6,160	**–**	–
Deferred tax liability	20	**1,192**	1,141	**–**	–
Lease liabilities	22	**139**	–	**–**	
Total non-current liabilities		**26,239**	7,301	**–**	–
Current liabilities					
Loans and borrowings	18	**363**	19,511	**–**	–
Amounts due to non-controlling interests	19	**1,540**	500	**715**	–
Trade and other payables	21	**1,968**	2,253	**1,175**	10,423
Lease liabilities	22	**173**	–	**–**	–
Total current liabilities		**4,044**	22,264	**1,890**	10,423
Total equity and liabilities		**61,799**	62,483	**36,516**	46,245

* Less than S$1,000

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 June 2020

	Note	Group 2020 S$'000	Group 2019 S$'000
Revenue	23	**6,437**	4,506
Cost of sales		**(2,187)**	(1,787)
Gross profit		**4,250**	2,719
Other income		**131**	59
Administrative expenses		**(4,852)**	(4,289)
Results from operating activities		**(471)**	(1,511)
Finance income	24	**38**	14
Finance costs	24	**(665)**	(461)
Net finance costs		**(627)**	(447)
Other losses		**(227)**	(95)
Share of results of equity-accounted investees, net of tax	9	**50**	33
Loss before tax	25	**(1,275)**	(2,020)
Tax expenses	26	**(49)**	(104)
Loss for the year		**(1,324)**	(2,124)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		**(78)**	(445)
Other comprehensive loss, net of tax		**(78)**	(445)
Total comprehensive loss for the year		**(1,402)**	(2,569)
Loss for the year attributable to:			
Owners of the Company		**(1,088)**	(2,219)
Non-controlling interests	16	**(236)**	95
		(1,324)	(2,124)
Total comprehensive loss attributable to:			
Owners of the Company		**(1,140)**	(2,541)
Non-controlling interests	16	**(262)**	(28)
		(1,402)	(2,569)
Loss per share			
Basic and diluted (cents per share)	27	**(0.04)**	(0.08)

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2020

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

	Share capital S$'000	Other reserve S$'000	Foreign currency translation reserve S$'000	Accumulated losses S$'000	Equity attributable to owners of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
Group							
At 1 July 2019	87,434	(2,059)	(322)	(56,574)	28,479	4,439	32,918
Transactions with owners, recognised directly in equity							
Effect of strike-off of subsidiaries	–	721	–	(721)	–	–	–
Total comprehensive loss for the year							
Loss for the year	–	–	–	(1,088)	(1,088)	(236)	(1,324)
Other comprehensive loss for the year	–	–	(52)	–	(52)	(26)	(78)
Total comprehensive loss for the year	–	–	(52)	(1,088)	(1,140)	(262)	(1,402)
At 30 June 2020	87,434	(1,338)	(374)	(58,383)	27,339	4,177	31,516

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2020

	Share capital S$'000	Fair value reserve S$'000	Accumulated losses S$'000	Total equity S$'000
Company				
At 1 July 2018	83,524	(60)	(50,669)	32,795
Adjustment on initial application of SFRS(I) 9, net of tax	–	60	(60)	–
At 1 July 2018, as adjusted	83,524	–	(50,729)	32,795
Transactions with owners, recognised directly in equity				
Issue of share capital	3,910	–	–	3,910
Total comprehensive loss for the year				
Loss for the year	–	–	(883)	(883)
At 30 June 2019	87,434	–	(51,612)	35,822
At 1 July 2019	87,434	–	(51,612)	35,822
Total comprehensive loss for the year				
Loss for the year	–	–	(1,196)	(1,196)
At 30 June 2020	87,434	–	(52,808)	34,626

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2020

	Note	Group 2020 S$'000	Group 2019 S$'000
Cash flows from operating activities			
Loss before tax		**(1,275)**	(2,020)
Adjustments for:			
Depreciation of property, plant and equipment		**2,304**	1,540
Depreciation of right-of-use-assets		**170**	–
Amortisation of intangible assets		**20**	31
Net loss arising on financial asset mandatorily measured at FVTPL		**227**	95
Property, plant and equipment written off		**–**	13
Interest expenses		**704**	453
Interest expenses of lease liabilities		**34**	–
Interest income		**(38)**	(14)
Share of results of equity-accounted investees, net of tax		**(50)**	(33)
Unrealised foreign exchange (gain)/loss		**(64)**	6
Operating cash flows before movements in working capital		**2,032**	71
Inventories		**22**	(8)
Trade and other receivables		**971**	(260)
Trade and other payables		**(402)**	(158)
Cash generated from/(used in) operations		**2,623**	(355)
Interest paid		**(704)**	(453)
Net cash from/(used in) operating activities		**1,919**	(808)
Cash flows from investing activities			
Acquisition of property, plant and equipment (Note A)		**(1,530)**	(5,299)
Acquisition of intangible assets		**(394)**	(343)
Dividend income received		**63**	35
Interest received		**38**	14
Non-trade amount due from an associate		**(24)**	–
Withdrawal of fixed deposits pledged		**151**	–
Return of capital from unquoted fund investments		**39**	–
Placement of fixed deposits with tenor of more than 3 months placed with financial institutions		**(126)**	–
Net cash used in investing activities		**(1,783)**	(5,593)
Cash flows from financing activities			
Proceeds from issuance of new ordinary shares	14	**–**	3,910
Proceeds from loans and borrowings		**–**	3,270
Advances from non-controlling interests, net		**885**	655
Repayment of lease liabilities		**(192)**	–
Repayment of loans and borrowings		**(130)**	(2,580)
Net cash from financing activities		**563**	5,255
Net increase/(decrease) in cash and cash equivalents		**699**	(1,146)
Cash and cash equivalents at beginning of the financial year		**2,894**	4,047
Effects of exchange rate fluctuations on cash held		**–**	(7)
Cash and cash equivalents at end of the financial year	13	**3,593**	2,894

Note A

In 2019, the Group acquired property, plant and equipment with an aggregate cost of S$6,327,000 of which S$1,028,000 was paid in advance in the financial year ended 30 June 2018.

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

These notes form an integral part of the financial statements.

1 GENERAL

ICP Ltd (the "Company") (Registration Number 196200234E) is incorporated in the Republic of Singapore with its principal place of business and registered office at 10 Anson Road, #28-16 International Plaza, Singapore 079903. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The financial statements of the Group as at and for the year ended 30 June 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in equity-accounted investees.

The principal activities of the Company are those of investment holding and management company. The principal activities of the Group entities and Group's investments in associate and joint venture are set out in Notes 8 and 9, respectively.

The consolidated financial statements of the Group and statement of financial position and the statement of changes in equity of the Company for the year ended 30 June 2020 were authorised for issue by the Board of Directors on 14 September 2020.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

2.2 Going concern basis of accounting

The Group incurred a net loss of S$1,324,000 (2019: S$2,124,000) for the year ended 30 June 2020. As at 30 June 2020, one of the subsidiaries of the Group has a secured bank loan with a carrying amount of S$19,266,000 (2019: S$19,511,000). The secured bank loan is secured by the Group's hotel property and freehold land with a carrying amount of S$31,595,000 (2019: S$31,728,000) as at 30 June 2020. During the year ended 30 June 2020, one of the bank loan covenant requirements, which requires the maintenance of a debt service coverage ratio ("DSCR") of minimum 1.2 times, was breached. The subsidiary was not able to comply with the requirement of the DSCR because the hotel operation was impacted by COVID-19 pandemic during the financial year.

On 3 April 2020, the Group secured a waiver letter from the bank for the financial year ended 30 June 2020. Consequently, the non-current portion of this outstanding bank loan, amounting to S$18,903,000, was classified as non-current liabilities as at 30 June 2020 in accordance with SFRS(I) 1-1 *Presentation of Financial Statements*.

Amidst the present market slow-down due to the COVID-19 pandemic, the Group's cash flows and performance in the hospitality segment have been impacted as there is still uncertainty when the travel restrictions will be lifted by the relevant authorities.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

2 BASIS OF PREPARATION (Continued)

2.2 Going concern basis of accounting (Continued)

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

(a) The Group expects the vessels to continue generating positive operating cash flows in the next twelve months;

(b) The Group expects to continue implementing comprehensive cost-containment measures for its hospitality segment in the next twelve months;

(c) Subsequent to the financial year ended 30 June 2020, the Group was granted a temporary bridging loan facility to ensure adequate working capital is available for ongoing needs in the next twelve months;

(d) Management expects that waiver of debt covenants will continue to be granted by the bank for the financial year ending 30 June 2021; and

(e) The Group has no significant commitments as at 30 June 2020 that would require significant cash outflows.

Based on the cash flows forecast prepared up to September 2021, management has a reasonable expectation that the Group has adequate resources to continue as a going concern for at least the next twelve months from the date of approval of the financial statements and that there is no material uncertainty related to going concern as at the end of reporting period.

2.3 Basis of measurement

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

2.4 Functional and presentation currency

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

2.5 Use of estimates and judgements

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

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements, and in arriving at estimates with a significant risk of resulting in a material adjustment within the next financial year are discussed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

2 BASIS OF PREPARATION (Continued)

2.5 Use of estimates and judgements (Continued)

Measurement of fair values

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

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

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

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

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

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

Further information about the assumptions made in measuring fair values is included in Note 5.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Adoption of new and revised standards

On 1 July 2019, the Group and the Company adopted all the new and revised SFRS(I) pronouncements that are relevant to its operations. The adoption of these new/revised SFRS(I) pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as discussed below.

SFRS(I) *16 Leases*

SFRS(I) 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of SFRS(I) 16 on the Group's consolidated financial statements is described below.

The date of initial application of SFRS(I) 16 for the Group is 1 July 2019.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Adoption of new and revised standards (Continued)

SFRS(I) ***16 Leases*** (Continued)

The Group has applied SFRS(I) 16 using the cumulative catch-up approach which:

- requires the Group to recognise the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings at the date of initial application; and

- does not permit restatement of comparatives, which continue to be presented under SFRS(I) 1-17 and SFRS(I) INT 4.

(a) Impact of the new definition of a lease

The Group has made use of the practical expedient available on transition to SFRS(I) 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with SFRS(I) 1-17 and SFRS(I) INT 4 will continue to be applied to those leases entered or changed before 1 July 2019.

The change in definition of a lease mainly relates to the concept of control. SFRS(I) 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in SFRS(I) 1-17 and SFRS(I) INT 4.

The Group applies the definition of a lease and related guidance set out in SFRS(I) 16 to all lease contracts entered into or modified on or after 1 July 2019 (whether it is a lessor or a lessee in the lease contract). The new definition in SFRS(I) 16 does not significantly change the scope of contracts that meet the definition of a lease for the Group.

(b) Impact on lessee accounting

Former operating leases

SFRS(I) 16 changes how the Group accounts for leases previously classified as operating leases under SFRS(I) 1-17, which were off-balance-sheet.

Applying SFRS(I) 16, for all leases, the Group:

- Recognises right-of-use assets and lease liabilities in the statements of financial position, initially measured at the present value of the remaining lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with SFRS(I) 16:C8(b)(ii);

- Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss; and

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Adoption of new and revised standards (Continued)

SFRS(I) *16 Leases* (Continued)

(b) Impact on lessee accounting (Continued)

Former operating leases (Continued)

- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated statement of cash flows.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under SFRS(I) 1-17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

Under SFRS(I) 16, right-of-use assets are tested for impairment in accordance with SFRS 1-36 *Impairment of Assets*.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes tablets and personal computers, small items of office furniture and telephones), the Group has opted to recognise a lease expense on a straight-line basis as permitted by SFRS(I) 16. This expense is presented within other operating expenses in the consolidated statement of profit or loss and other comprehensive income.

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying SFRS(I) 1-17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

- The Group has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognised under SFRS(I) 1-37 in the statement of financial position immediately before the date of initial application as an alternative to performing an impairment review.

- The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.

- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Adoption of new and revised standards (Continued)

SFRS(I) *16 Leases* (Continued)

(c) Impact on lessor accounting

SFRS(I) 16 does not change substantially how a lessor accounts for leases. Under SFRS(I) 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, SFRS(I) 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

(d) Financial impact of initial application of SFRS(I) 16

The weighted average lessee's incremental borrowing rate applied to the lease liabilities recognised in the statement of financial position on 1 July 2019 is 8.5%.

The following table shows the operating lease commitments disclosed applying SFRS(I) 1-17 at 30 June 2019, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application.

	S$'000
Operating lease commitments at 30 June 2019	530
Less: Effect of discounting the above amounts	(60)
Lease liabilities recognised at 1 July 2019	470

Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application, except for the right-of-use assets for property leases which were measured on a retrospective basis as if the Standard had been applied since the commencement date. Consequently, right-of-use assets of S$470,000 were recognised on 1 July 2019.

3.2 Basis of consolidation

(i) Business combinations

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Basis of consolidation (Continued)

(i) ***Business combinations*** (Continued)

Acquisition from 1 July 2017

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Basis of consolidation (Continued)

(i) *Business combinations* (Continued)

Acquisition before 1 July 2017

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

(ii) *Subsidiaries*

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

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

(iii) *Loss of control*

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

(iv) *Investments* in equity-accounted investees

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2 Basis of consolidation (Continued)

(iv) *Investments* in equity-accounted investees (Continued)

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

(v) Transactions eliminated on consolidation

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

(vi) Subsidiaries in the separate financial statements

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

3.3 Foreign currency

(i) Foreign currency transactions

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

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

(ii) Foreign operations

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.3 Foreign currency (Continued)

(ii) Foreign operations (Continued)

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

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

3.4 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

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

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

(ii) Classification and subsequent measurement

Non-derivative financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets (Continued)

Financial assets at amortised cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVTOCI

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

Financial assets at FVTPL

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

Financial assets: Business model assessment

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets: Business model assessment (Continued)

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

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

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

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

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

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

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

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

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable rate features;

- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (Continued)

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

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

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

Financial assets at amortised cost

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

Equity investments at FVTOCI

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Financial instruments (Continued)

(ii) Classification and subsequent measurement (Continued)

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

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

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

(iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

(iv) Offsetting

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.4 Financial instruments (Continued)

(v) Cash and cash equivalents

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

(vi) Share capital

Ordinary shares

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

3.5 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5 Property, plant and equipment (Continued)

(ii) Subsequent costs

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

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

(iii) Depreciation

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.6 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 3.2(i).

Subsequent measurement

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

(ii) Trademarks

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

(iii) Other intangible assets

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

(iv) Subsequent expenditure

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

(v) Amortisation

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF 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

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

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

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

Simplified approach

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

General approach

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

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

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECLs in the statement of financial position

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Impairment (Continued)

(i) Non-derivative financial assets (Continued)

Write-off

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

(ii) Associate and joint venture

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

(iii) Non-financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.8 Impairment (Continued)

(iii) Non-financial assets (Continued)

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

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

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

3.9 Employee benefits

(i) Defined contribution plans

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

(ii) Short-term employee benefits

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

(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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.9 Employee benefits (Continued)

(iii) Share-based payment transactions (Continued)

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 2020 and 30 June 2019, there are no share-based payment transactions with the Group's employees.

3.10 Provisions

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

3.11 Revenue recognition

(i) Goods and services sold

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.11 Revenue recognition (Continued)

(i) Goods and services sold (Continued)

(a) Sale of food and beverages

Revenue from the sale of food and beverages in the course of ordinary activities is measured at the fair value of the consideration received. Revenue is recognised at a point in time. Payment for sale of food and beverages is either on cash term or due within 30 days.

(b) Hotel fees income

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

(c) Hotel property income

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

(ii) Charter income

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

(iii) Rental income

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

3.12 Leases

Leases (Before 1 July 2019)

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 Leases (Continued)

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.

Leases (From 1 July 2019)

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.12 Leases (Continued)

Leases (From 1 July 2019) (Continued)

The Group as lessee (Continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value; or
- a lease contract is modified and the lease modification is not accounted for as a separate lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 3.6(iii).

The Group as lessor

Leases where the Group retains substantially all risks and rewards of ownership are classified as operating lease.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13 Finance income and costs

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

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

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

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

3.14 Tax expense

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.14 Tax expense (Continued)

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

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

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

3.15 Earnings per share

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

3.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. The Executive Directors of the respective strategic business units are the chief operating decision maker. All operating segments’ operating results are reviewed regularly by the Executive Directors of the respective strategic business units to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Executive Directors of the respective strategic business units include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company’s headquarters), head office expenses and tax liabilities.

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.17 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are not yet effective and have not been applied in preparing these financial statements. An explanation of the impact, if any, on adoption of these new requirements is provided in Note 32.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the entity's accounting policies

In addition to those judgements related to going concern as disclosed in Note 2.2, the following are the critical judgements, that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Classification of associate

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

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

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives after taking into account the estimated residual value. The intangible assets namely, goodwill and trademark rights are assessed to be indefinite life assets. As described in Note 3.5, the Group reviews the estimated useful lives of these assets regularly in order to determine the amount of depreciation and amortisation, if applicable, to be recorded during any reporting period. The Group considers factors such as wear and tear, ageing, technical standards, market practices and changes in market demand for these assets as well as the Group's historical experience with these assets. Changes in these factors may impact the useful lives of assets, which could result in higher annual depreciation expense.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Valuation of property, plant and equipment and intangible assets

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

Value-in-use is estimated based on management's forecast of future cash flows discounted to present value using the pre-tax discount rate. Significant estimates and assumptions are made on revenue growth rates and in determining discount rates. In addition, for the valuation of vessels (inclusive of dry docking expenditure), assumptions are made in relation to the continual renewal of existing charter contracts over the forecast period. Changes in these estimates and assumptions may result in impairment losses on these assets. The carrying amount of property, plant and equipment and intangible assets are disclosed in Notes 6 and 7.

Fair value of unquoted fund investments

There are no market prices available for the Group's investment in unquoted fund. In assessing the fair value of these investments, the Group makes significant estimates and assumptions on significant unobservable inputs. Changes to these estimates and assumptions may result in significant fluctuations to the fair value through profit or loss investment.

Information about the valuation techniques and inputs used in determining the fair value are disclosed in Note 5.

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2020	**2019**	**2020**	**2019**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Financial assets				
Financial assets at fair value through profit or loss	**745**	1,011	**745**	1,011
Financial assets at amortised cost	**7,692**	7,806	**27,450**	27,418
Financial liabilities				
Lease liabilities	**312**	–	**–**	–
Financial liabilities at amortised cost	**28,663**	28,424	**1,879**	10,423

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

5 **FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT** (Continued)

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Group and Company do not have any financial instruments which are subjected to offsetting, enforceable master netting arrangements or similar netting agreements.

(c) Financial risk management policies and objectives

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

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

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

- market risk
- credit risk
- liquidity risk

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

Market risk

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

(i) *Foreign exchange risk management*

The Group has no significant foreign currency denominated financial assets or financial liabilities except for 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").

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

5 **FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT** (Continued)

(c) Financial risk management policies and objectives (Continued)

Market risk (Continued)

(i) *Foreign exchange risk management* (Continued)

As at each reporting date, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Liabilities		**Assets**	
	2020 S$'000	**2019 S$'000**	**2020 S$'000**	**2019 S$'000**
Group				
MYR	**19,668**	20,096	**2,031**	2,881
HKD	**–**	–	**1,716**	1,628

Foreign currency sensitivity

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

If the relevant foreign currency strengthens by 10% against the functional currency of each Group entity, the Group's loss for the year would have increased/(decreased) by:

	MYR impact		**HKD impact**	
	2020 S$'000	**2019 S$'000**	**2020 S$'000**	**2019 S$'000**
Group				
Profit or loss	**1,764**	1,722	**(172)**	(163)

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.

Company

The Company does not hold significant foreign currency denominated financial assets or financial liabilities and hence, no foreign currency sensitivity was performed.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) *Financial risk management policies and objectives* (Continued)

Market risk (Continued)

(ii) Interest rate risk management

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

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

	Group		Company	
	2020	**2019**	**2020**	**2019**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Fixed rate instruments				
Fixed bank deposits	**457**	486	**–**	–
Variable rate instruments				
Loans and borrowings	**19,266**	19,511	**–**	–

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

	Loss for the year	
	100 bp increase	**100 bp decrease**
	S$'000	**S$'000**
Group		
2020		
Variable rate instruments – loans and borrowings	**193**	**(193)**
2019		
Variable rate instruments – loans and borrowings	195	(195)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) *Financial risk management policies and objectives* (Continued)

Market risk (Continued)

(ii) Interest rate risk management (Continued)

Cash flow sensitivity analysis for variable rate instruments (Continued)

Company

The Company does not hold any interest bearing financial assets and financial liabilities and hence, no interest rate sensitivity was performed.

Credit risk

(i) Overview of the Group's exposure to credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and fair value through profit or loss investment.

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

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risk is minimised and monitored through limiting its associations to business partners with high creditworthiness. Trade receivables' payment profile and credit exposure are monitored on an ongoing basis through Group's management reporting procedures.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) *Financial risk management policies and objectives* (Continued)

Credit risk (Continued)

(i) *Overview of the Group's exposure to credit risk (Continued)*

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
Group						
2020						
Trade receivables	**n.a.**	**(i)**	**Lifetime ECL (simplified approach)**	**1,124**	**–**	**1,124**
Other receivables	**n.a.**	**Performing**	**12m ECL**	**802**	**–**	**802**
Amount due from an associate (Non-trade)	**n.a.**	**Performing**	**12m ECL**	**1,716**	**–**	**1,716**
					–	
2019						
Trade receivables	n.a.	(i)	Lifetime ECL (simplified approach)	817	–	817
Trade amount due from a director	n.a.	(i)	Lifetime ECL (simplified approach)	12	–	12
Other receivables	n.a.	Performing	12m ECL	1,973	(4)	1,969
Amount due from an associate (Non-trade)	n.a.	Performing	12m ECL	1,628	–	1,628
					(4)	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) *Financial risk management policies and objectives* (Continued)

Credit risk (Continued)

(i) Overview of the Group's exposure to credit risk (Continued)

	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount S$'000	Loss allowance S$'000	Net carrying amount S$'000
Company						
2020						
Other receivables	**n.a.**	**Performing**	**12m ECL**	**21**	**–**	**21**
Amounts due from subsidiaries (Non-current)	**n.a.**	**Performing**	**12m ECL**	**18,073**	**–**	**18,073**
Amounts due from subsidiaries (current)	**n.a.**	**Performing**	**12m ECL**	**8,250**	**–**	**8,250**
					–	
2019						
Other receivables	n.a.	Performing	12m ECL	7	–	7
Amounts due from subsidiaries (Non-current)	n.a.	Performing	12m ECL	13,107	–	13,107
Amounts due from subsidiaries (current)	n.a	Performing	12m ECL	12,456	(98)	12,358
					(98)	

(i) For trade receivables, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) *Financial risk management policies and objectives* (Continued)

Credit risk (Continued)

(ii) *Credit risk management*

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer. However, management also considers the demographics of the Group's customer base, including default risk associated with the industry and country in which customers operate, as these factors may have an influence on credit risk. Details of concentration of revenue are included in Note 28.

As at 30 June 2020, 99.9% (2019: 99.9%) of the Company's trade and other receivables comprised non-trade amounts due from subsidiaries. There are no concentration of credit risk of the Group's trade and other receivables as at 30 June 2020 and 2019.

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

Expected credit loss assessment for trade receivables as at 30 June 2020 and 2019

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

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

	Gross carrying amount S$'000	Credit impaired
Group		
2020		
Current	**228**	**No**
Past due < 30 days	**168**	**No**
Past due < 31 – 90 days	**257**	**No**
Past due more than 90 days	**471**	**No**
	1,124	
2019		
Current	340	No
Past due < 30 days	141	No
Past due < 31 – 90 days	249	No
Past due more than 90 days	99	No
	829	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) *Financial risk management policies and objectives* (Continued)

Credit risk (Continued)

(ii) *Credit risk management* (Continued)

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

	Group S$'000	Company S$'000
At 1 July 2018	29	25
Amount written off	(25)	(25)
At 30 June 2019	4	–
Amount written off	(4)	–
At 30 June 2020	–	–

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

Non-trade amounts due from subsidiaries

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

	Company S$'000
At 1 July 2018	–
Impairment loss recognised	98
At 30 June 2019	98
Amount written off	(98)
At 30 June 2020	–

The Company held non-trade amounts due from subsidiaries of S$26,323,000 (2019: S$25,465,000). These balances are amounts extended to subsidiaries to satisfy funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to management accounts, cash flow projections, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis; and the amount of the allowance is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) *Financial risk management policies and objectives* (Continued)

Credit risk (Continued)

(ii) *Credit risk management* (Continued)

Non-trade amount due from an associate

The Group held non-trade amount due from an associate of S$1,716,000 (2019: S$1,628,000). Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to management accounts, cash flow projections, and applying experienced credit judgement), these exposures are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis; and the amount of the allowance is insignificant.

Cash and cash equivalents

The Group and the Company held cash and cash equivalents of S$4,050,000 (2019: S$3,380,000) and S$1,106,000 (2019: S$1,946,000) respectively at 30 June 2020.

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

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

Liquidity risk

Liquidity risk management

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(c) *Financial risk management policies and objectives* (Continued)

Liquidity risk (Continued)

Liquidity risk analysis

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	Weighted average effective interest rate %	On demand or within 1 year S$'000	Within 2 to 5 years S$'000	Total S$'000
Group				
2020				
Lease liabilities (fixed rate)	**8.5**	**173**	**139**	**312**
Loans and borrowings (variable rate)	**5.4**	**363**	**18,903**	**19,266**
Non-interest bearing	**–**	**3,392**	**6,005**	**9,397**
		3,928	**25,047**	**28,975**
2019				
Loans and borrowings (variable rate)	5.5	19,511	–	19,511
Non-interest bearing	–	2,753	6,160	8,913
		22,264	6,160	28,424
Company				
2020				
Non-interest bearing	**–**	**1,879**	**–**	**1,879**
2019				
Non-interest bearing	–	10,423	–	10,423

(d) *Capital management policies and objectives*

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2019.

The capital structure of the Group consists of debts comprising of loans and borrowings (Note 18), amount due to non-controlling interests (Note 19) and equity attributable to owners of the Company comprising of issued share capital (Note 14) and reserves (Note 15).

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

5 **FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT** (Continued)

(d) Capital management policies and objectives (Continued)

The gearing ratio at the end of the reporting period was as follows:

	2020 S$'000	2019 S$'000
Total liabilities^	**26,811**	26,171
Less: cash and cash equivalents	**(4,050)**	(3,380)
Net debt	**22,761**	22,791
Total equity	**31,516**	32,918
Adjusted net debt to adjusted equity ratio	**0.72**	0.69

^ Excludes deferred tax liabilities, lease liabilities and trade and other payables

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 2020 and 2019.

(e) Fair value of financial assets and financial liabilities

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Group and Company

Some of the Group and Company's financial assets and financial liabilities are measured at fair value as at each reporting date. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial asset	Fair value as at (S$'000) 2020 Assets	2020 Liabilities	2019 Assets	2019 Liabilities	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Financial assets at fair value through profit or loss:								
Investment in unquoted fund investments	**745**	**–**	1,011	–	Level 3	The fair value of the unquoted investments funds is based on the net assets from their latest available management accounts	Net asset values of underlying fund investment	The estimated fair value would increase/(decrease) if net assets value of underlying funds was higher/(lower)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(e) *Fair value of financial assets and financial liabilities* (Continued)

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values:

	2020		2019	
	Carrying amount S$'000	Fair value S$'000	Carrying amount S$'000	Fair value S$'000
<u>Group</u>				
Financial assets				
Other receivables (non-current)	**1,716**	**1,626**	1,628	1,547
Financial liabilities				
Amounts due to non-controlling interests (non-current)	**6,005**	**5,690**	6,660	6,327
<u>Company</u>				
Financial assets				
Other receivables (non-current)	**18,073**	**17,124**	13,107	12,447

	Fair value hierarchy as at 2020			
	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Level 4 S$'000
<u>Group</u>				
Financial assets				
Other receivables (non-current)	–	**1,626**	–	–
Financial liabilities				
Amounts due to non-controlling interests (non-current)	–	**5,690**	–	–
<u>Company</u>				
Financial assets				
Other receivables (non-current)	–	**17,124**	–	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

5 **FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT** (Continued)

(e) Fair value of financial assets and financial liabilities (Continued)

	Fair value hierarchy as at 2019			
	Level 1 S$'000	**Level 2 S$'000**	**Level 3 S$'000**	**Level 4 S$'000**
Group				
Financial assets				
Other receivables (non-current)	–	1,547	–	–
Financial liabilities				
Amounts due to non-controlling interests (non-trade) (non-current)	–	6,327	-	-
Company				
Financial assets				
Other receivables (non-current)	–	12,447	–	–

The fair values of the financial assets and financial liabilities included in the Level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Reconciliation of Level 3 fair value measurements

	Other investment S$'000
Group and Company	
2020	
Opening balance	**1,011**
Total losses	
– In profit or loss#	**(227)**
Return of capital from unquoted fund investments	**(39)**
Closing balance	**745**
2019	
Opening balance	1,106
Total losses	
– In profit or loss#	(95)
Closing balance	1,011

Included as part of "other losses" in profit or loss.

Other investments relate to investments in unquoted investment funds and unquoted equity securities. There is no quoted market price available for other investments.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

5 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (Continued)

(e) ***Fair value of financial assets and financial liabilities*** (Continued)

Sensitivity analysis

For the Group's and the Company's investment in unquoted investment funds, a 10% increase in the net asset values of the underlying funds would have decreased the Group's and the Company's loss by approximately S$74,000 (2019: S$101,000). An equal change in the opposite direction would have increased the Group's and the Company's loss by the same amount.

Non-current loans and borrowings

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

Other financial assets and 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 2020

6 PROPERTY, PLANT AND EQUIPMENT

	Freehold land S$'000	Hotel property S$'000	Vessels S$'000	Dry-docking expenditures S$'000	Renovations S$'000	Furniture and fittings S$'000	Computer equipment S$'000	Plant and machinery S$'000	Total S$'000
<u>Group</u>									
Cost									
At 1 July 2018	17,556	12,865	18,594	1,857	358	49	94	–	51,373
Additions	–	2,488	–	606	2,587	556	83	7	6,327
Written off	–	–	–	(1,274)	(358)	(15)	(29)	–	(1,676)
Effect of movement in exchange rates	(550)	(450)	–	–	(24)	(6)	–	–	(1,030)
At 30 June 2019	17,006	14,903	18,594	1,189	2,563	584	148	7	54,994
Additions	–	376	–	752	373	26	1	2	1,530
Written off	–	–	–	–	(7)	(18)	–	–	(25)
Effect of movement in exchange rates	(101)	(98)	–	–	(19)	(4)	–	–	(222)
At 30 June 2020	**16,905**	**15,181**	**18,594**	**1,941**	**2,910**	**588**	**149**	**9**	**56,277**
Accumulated depreciation and impairment loss									
At 1 July 2018	–	93	5,600	1,410	333	19	57	–	7,512
Depreciation for the year	–	93	750	475	111	78	33	–*	1,540
Written off	–	–	–	(1,274)	(345)	(15)	(29)	–	(1,663)
Effect of movement in exchange rates	–	(5)	–	–	–	–	–	–	(5)
At 30 June 2019	–	181	6,350	611	99	82	61	–*	7,384
Depreciation for the year	–	313	750	728	320	162	30	1	2,304
Written off	–	–	–	–	(7)	(18)	–	–	(25)
Effect of movement in exchange rates	–	(3)	–	–	(2)	(2)	–	–	(7)
At 30 June 2020	**–**	**491**	**7,100**	**1,339**	**410**	**224**	**91**	**1**	**9,656**
Carrying amounts									
At 30 June 2019	17,006	14,722	12,244	578	2,464	502	87	7	47,610
At 30 June 2020	**16,905**	**14,690**	**11,494**	**602**	**2,500**	**364**	**58**	**8**	**46,621**

* Less than S$1,000.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

6 PROPERTY, PLANT AND EQUIPMENT (Continued)

	Computer equipment S$'000
Company	
Cost	
At 1 July 2018, 30 June 2019 and 30 June 2020	6
Accumulated depreciation	
At 1 July 2018	1
Depreciation for the year	4
At 30 June 2019	5
Depreciation for the year	1
At 30 June 2020	**6**
Carrying amounts	
At 30 June 2019	1
At 30 June 2020	**–***

* Less than S$1,000.

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

	Group 2020 S$'000	Group 2019 S$'000
– Cost of sales	**1,478**	1,225
– Administrative expenses	**826**	315
	2,304	1,540

(ii) The hotel property and freehold land, with net carrying amount of S$31,595,000 (2019: S$31,728,000) is pledged to a bank as a first legal charge over the Group's hotel property to secure term loan facilities (Note 18).

(iii) Included in additions to hotel property of S$376,000 (2019: S$2,488,000) and renovations of S$373,000 (2019: S$2,587,000) was capitalised borrowing costs of S$354,000 (2019: S$579,000) and S$Nil (2019: S$107,000), respectively.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

7 INTANGIBLE ASSETS

	Software S$'000	Goodwill S$'000	Trademark S$'000	Total S$'000
Group				
Cost				
At 1 July 2018	243	1,167	4,384	5,794
Additions	38	–	305	343
At 30 June 2019	281	1,167	4,689	6,137
Additions	5	–	389	394
At 30 June 2020	**286**	**1,167**	**5,078**	**6,531**
Accumulated amortisation				
At 1 July 2018	214	–	–	214
Amortisation for the year	31	–	–	31
At 30 June 2019	245	–	–	245
Amortisation for the year	20	–	–	20
At 30 June 2020	**265**	**–**	**–**	**265**
Carrying amounts				
At 30 June 2019	36	1,167	4,689	5,892
At 30 June 2020	**21**	**1,167**	**5,078**	**6,266**

	Software S$'000
Company	
Cost	
At 1 July 2018	–
Additions	3
At 30 June 2019	3
Additions	1
At 30 June 2020	**4**
Accumulated amortisation	
At 1 July 2018	2
Amortisation for the year	–*
At 30 June 2019	2
Amortisation for the year	2
At 30 June 2020	**4**
Carrying amounts	
At 30 June 2019	2
At 30 June 2020	**–***

* Amount less than S$1,000.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

7 INTANGIBLE ASSETS (Continued)

(i) Goodwill

Impairment assessment

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

	Group	
	2020	**2019**
	S$'000	**S$'000**
Cash-generating units		
GMT Bravo Pte. Ltd.	**613**	613
GMT Charlie Pte. Ltd.	**554**	554
	1,167	1,167

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

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

	Growth rates		Pre-tax discount rate	
	2020	**2019**	**2020**	**2019**
	%	**%**	**%**	**%**
GMT Bravo Pte. Ltd.	**2.5**	–	**9.5**	8.7
GMT Charlie Pte. Ltd.	**2.5**	–	**9.3**	8.9

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

7 INTANGIBLE ASSETS (Continued)

(i) Goodwill (Continued)

Sensitivity to change in assumptions

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

	Increase in pre-tax discount rate	
	2020	**2019**
	%	**%**
GMT Bravo Pte. Ltd.	**0.5**	2
GMT Charlie Pte. Ltd.	**0.5**	3

In addition, a decrease in growth rate by 2.5% (2019: decrease in charter income by 5% and 13%) would cause the carrying amount of the CGUs to exceed the recoverable amount of GMT Bravo Pte. Ltd. and GMT Charlie Pte. Ltd., respectively as at 30 June 2020.

(ii) Trademark rights

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

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

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

Impairment assessment

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

The recoverable amount of the Hotel Development CGU is determined based on value-in-use calculation, using future cash-flow projections derived from the cash flow projection approved by management for the next 5 years (2019: 5 years). The key assumptions used in value-in-use calculations are:

	2020	**2019**
	%	**%**
Average growth in number of rooms	**26**	42
Average room occupancy rate	**38 to 65**	63
Pre-tax discount rates	**7 to 15**	12 to 18
Terminal growth rate	**3**	3

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

7 INTANGIBLE ASSETS (Continued)

(ii) Trademark rights (Continued)

Impairment assessment (Continued)

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

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

Sensitivity to change in assumptions

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

8 SUBSIDIARIES

	Company	
	2020	**2019**
	S$'000	**S$'000**
Unquoted equity shares, at cost	**8,300**	19,661
Less: Allowance for impairment	**–**	(1,869)
Net carrying value	**8,300**	17,792

Details of the Group's subsidiaries as at 30 June 2020 are as follows:

Name of subsidiary	Country of incorporation	Proportion of ownership interest		Principal activity
		2020	**2019**	
		%	**%**	
Held by the Company				
Dynamar Holdings Pte. Ltd.[(1)(5)]	Singapore	**100**	100	Dormant
ICP Asset Management Pte. Ltd.[(1)]	Singapore	**100**	100	Management consultancy
ICP Marine Pte. Ltd.[(1)]	Singapore	**100**	100	Investment holding
Paragon Holdings Pte. Ltd.[(1)]	Singapore	**100**	100	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

8 SUBSIDIARIES (Continued)

Name of subsidiary	Country of incorporation	Proportion of ownership interest 2020 %	2019 %	Principal activity
AceA Resources Pte. Ltd.(1)	Singapore	**100**	100	Investment holding
Travelodge Hotels Asia (IP) Pte. Ltd.(1)	Singapore	**100**	100	Investment holding and ownership of trademark rights
Travelodge Hotels (Asia) Pte. Ltd.(2)	Singapore	**100**	100	Hospitality services
Midscale Hotel Investments Pte. Ltd.(1)	Singapore	**100**	100	Investment Holding
Goldtron Trading Pte. Ltd.(1)(5)	Singapore	**–**	100	Dormant
Held by Dynamer Holdings Pte Ltd				
Valtron Technology Pte. Ltd.(1)(5)	Singapore	**–**	100	Dormant
Held by ICP Marine Pte. Ltd.				
GMT Bravo Pte. Ltd.(2)	Singapore	**51**	51	Vessel ownership and provider of leasing services
GMT Charlie Pte. Ltd.(2)	Singapore	**51**	51	Vessel ownership and provider of leasing services
Held by Travelodge Hotels Asia (IP) Pte. Ltd.				
Travelodge (IP) Pty Limited(4)	Australia	**100**	100	Investment holding
Tu Jin Hotels (IP) Pte. Ltd.(1)	Singapore	**100**	100	Investment holding
Travelodge Hotels India (IP) Pte. Ltd.(1)	Singapore	**100**	100	Investment holding
Held by Travelodge Hotels (Asia) Pte. Ltd.				
Tu Jin Hotels Pte. Ltd.(1)	Singapore	**100**	100	Hospitality services
TVL Hotels Asia (Kuala Lumpur) Sdn. Bhd.(4)(6)	Malaysia	**100**	–	Hospitality services
Held by Tu Jin Hotels Pte. Ltd.				
Tu Jin (Ningbo) Hotel Management Co Ltd(4)	China	**100**	100	Hospitality services
Held by Midscale Hotel Investments Pte. Ltd.				
MHI HK 1 Pte. Ltd.(1)	Singapore	**100**	100	Investment holding
MHI MY 1 Pte. Ltd.(1)(7)	Singapore	**73.3**	73.3	Investment holding
MHI SG 1 Pte. Ltd.(1)	Singapore	**100**	100	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

8 SUBSIDIARIES (Continued)

Name of subsidiary	Country of incorporation	Proportion of ownership interest 2020 %	2019 %	Principal activity
Held by MHI MY 1 Pte. Ltd.				
MHI MY 1 Sdn. Bhd.(3)(7)	Malaysia	**73.3**	73.3	Hospitality services
Held by MHI MY 1 Sdn. Bhd.				
Geo Hotel Sdn. Bhd.(3)(7)	Malaysia	**73.3**	73.3	Hospitality services

Notes:

(1) Exempt from audit under Singapore Companies Act, Chapter 50.

(2) Audited by Deloitte & Touche LLP, Singapore.

(3) Audited by other member firms of Deloitte & Touche Tohmatsu Limited.

(4) Not audited as it is immaterial. The unaudited management financial statements as at 30 June 2020 have been used for consolidated purpose.

(5) The subsidiaries were struck off during the financial year ended 30 June 2020.

(6) The subsidiary was incorporated during the financial year ended 30 June 2020.

(7) The proportion of voting power held by the Group for the financial years ended 30 June 2020 and 2019 was 100%.

Impairment

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

	Company 2020 S$'000	2019 S$'000
At the beginning of the financial year	**1,869**	1,746
Write off of impairment loss	**(1,869)**	–
Impairment loss recognised during the year	**–**	123
At the end of the financial year	**–**	1,869

Principal activities	Place of incorporation and operation	Number of wholly owned subsidiaries 2020	2019
Hospitality services	Singapore	**2**	2
	China	**1**	1
	Malaysia	**1**	–
Investment holding	Singapore	**8**	8
	Australia	**1**	1
Investment holding and management consultancy	Singapore	**–**	1
Investment holding and ownership of trademark rights	Singapore	**1**	1
Dormant	Singapore	**–**	2
Management consultancy	Singapore	**1**	1
		15	17

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

8 SUBSIDIARIES (Continued)

Principal activities	Place of incorporation and operation	Number of non-wholly owned subsidiaries 2020	2019
Hospitality services	Malaysia	**2**	2
Investment holding	Singapore	**1**	1
Vessel ownership and provider of leasing services	Singapore	**2**	2
		5	5

9 ASSOCIATE AND JOINT VENTURE

	Group 2020 S$'000	2019 S$'000
Investment in associate	**–***	–*
Investment in joint venture	**13**	26
	13	26
Share of results of associates and joint venture, net of tax	**50**	33

* Amount less than S$1,000.

Details of the Group's associate as at 30 June 2020 are as follows:

Name of associate	Place of incorporation and operation	Proportion of ownership interest 2020 %	2019 %	Principal activity
Robust Century Ltd ("Robust Century")	Cayman Islands	**2**	2	Management and operation of hotels

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

Details of the Group's joint venture as at 30 June 2020 are as follows:

Name of joint venture	Place of incorporation and operation	Proportion of ownership interest 2020 %	2019 %	Principal activity
Travelodge (Thailand) Co., Ltd.	Thailand	**20**	20	Management and operation of hotels

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

9 ASSOCIATE AND JOINT VENTURE (Continued)

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.

10 OTHER INVESTMENTS

		Group		Company	
		2020	2019	2020	2019
	Note	S$'000	S$'000	S$'000	S$'000
Unquoted equity securities – FVTOCI		**–**	–	**–**	–
Unquoted fund investments – FVTPL	5	**745**	1,011	**745**	1,011
		745	1,011	**745**	1,011

Unquoted equity securities

Unquoted equity securities relate to the Group's investment in Tiaro Coal Ltd. ("Tiaro") and Paragon Coal Pty. Ltd. ("Paragon") companies in the business of exploration of coal. At 1 July 2018, the Group designated these investments as equity investments measured at FVTOCI because they represent investments that the Group intends to hold for long-term strategic purposes. In the previous years, the Group assessed the recoverability of the investments in Tiaro and Paragon to be S$Nil and had written down their carrying amounts to S$Nil. Accordingly, as at 30 June 2020 and 2019, management assessed the fair value of these investments to be S$Nil.

Unquoted fund investments

In the current year, the Group recognised a fair value loss of S$227,000 (2019: S$95,000) on the investment in unquoted fund investments as the net asset values of the underlying fund investments decreased. The fair value loss was recognised directly in profit or loss under other losses.

The Group's and Company's exposure to market risk and fair value measurement related to other investments is disclosed in Note 5.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

11 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020	**2019**	**2020**	**2019**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Non-current				
Non-trade amounts due from subsidiaries[b]	**–**	–	**18,073**	13,107
Non-trade amount due from an associate[a]	**1,716**	1,628	**–**	–
	1,716	1,628	**18,073**	13,107
Current				
Trade receivables	**1,124**	817	**–**	–
Trade amounts due from a director (Note 31)	**–**	12	**–**	–
Non-trade amounts due from subsidiaries (Note 31)	**–**	–	**8,250**	12,456
Allowance for impairment loss	**–**	–	**–**	(98)
	–	–	**8,250**	12,358
Deposits	**690**	203	**–**	–
Other receivables	**112**	1,770	**21**	7
Allowance for impairment loss	**–**	(4)	**–**	–
	112	1,766	**21**	7
Trade and other receivables	**1,926**	2,798	**8,271**	12,365
Prepayments	**88**	42	**21**	21
	2,014	2,840	**8,292**	12,386

(a) Non-trade amount due from an associate is unsecured, non-interest bearing and repayable on demand. Amount due from an associate has been classified as non-current assets as the Company does not expect for repayment within 12 months after the reporting date.

(b) Amounts due from subsidiaries are non-trade related, unsecured, non-interest bearing, and repayable on demand. Amounts due from subsidiaries have been classified as non-current assets as the Company does not expect for repayment within 12 months after the reporting date.

The Group's and Company's exposure to credit risks, currency risks and impairment losses related to trade and other receivables is disclosed in Note 5.

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2019: 30 to 90 days) credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Loss allowance has always been measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

12 RIGHT-OF-USE ASSETS (GROUP AS A LESSEE)

The Group leases office with an average lease term of 1 to 3 years.

	Office Rental S$'000
Group	
Cost:	
At 1 July 2019	470
Additions	–
At 30 June 2020	470
Accumulated depreciation:	
At 1 July 2019	–
Charge for the year	170
At 30 June 2020	170
Carrying amount:	
At 30 June 2020	300

13 CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 S$'000	2019 S$'000	2020 S$'000	2019 S$'000
Cash and bank balances	**3,593**	2,894	**1,106**	1,946
Fixed deposits	**457**	486	**–**	–
Cash and cash equivalents in the statements of financial position	**4,050**	3,380	**1,106**	1,946
Fixed deposits with tenor of more than 3 months placed with financial institutions	**(457)**	(335)		
Fixed deposits pledged	**–**	(151)		
Cash and cash equivalents in the consolidated statement of cash flows	**3,593**	2,894		

The weighted average effective interest rates per annum relating to fixed deposits at the reporting date for the Group and Company ranged from 2.75% to 3.00% (2019: 0.05% to 1.95%) per annum.

Fixed deposits pledged represents bank balances of certain subsidiaries pledged as security to obtain credit facilities (Note 18).

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

14 SHARE CAPITAL

	Group and Company			
	2020	**2019**	**2020**	**2019**
	Number of ordinary shares ('000)		**S$'000**	**S$'000**
Issued and fully paid ordinary shares, with no par value				
At the beginning of the financial year	**3,111,689**	2,651,689	**87,434**	83,524
Issue of share capital	**–**	460,000	**–**	3,910
At the end of the financial year	**3,111,689**	3,111,689	**87,434**	87,434

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.

15 RESERVES

	Group		Company	
	2020	**2019**	**2020**	**2019**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Foreign currency translation reserve	**374**	322	**–**	–
Other reserve	**1,338**	2,059	**–**	–
Accumulated losses	**58,383**	56,574	**52,808**	51,612
	60,095	58,955	**52,808**	51,612

Foreign currency translation reserve

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

Other reserve

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

16 NON-CONTROLLING INTERESTS

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

Name	Principal places of business/Country of incorporation	Effective equity interest held by NCI 2020 %	2019 %
GMT Bravo Pte. Ltd. ("GMT Bravo")	Singapore	**49**	49
GMT Charlie Pte. Ltd. ("GMT Charlie")	Singapore	**49**	49
MHI MY 1 Pte. Ltd.	Singapore	**26.7**	26.7
MHI MY 1 Sdn. Bhd.	Malaysia	**26.7**	26.7
Geo Hotel Sdn. Bhd.	Malaysia	**26.7**	26.7

The following table summarised the financial information for each of the above subsidiaries based on their respective financial statements and are prepared in accordance with SFRS(I), modified for fair value adjustments on acquisition and differences in the Group's accounting policies, where applicable.

	GMT Bravo S$'000	GMT Charlie S$'000	MHI MY 1 Sdn. Bhd. S$'000	Other immaterial subsidiaries S$'000	Total S$'000
Percentage of ownership by NCI	**49%**	**49%**	**26.7%**	**26.7%**	
2020					
Revenue	**874**	**924**	**1,542**	**–**	
Profit/(loss) for the year	**67**	**116**	**(1,140)**	**(82)**	
Other comprehensive loss	**–**	**–**	**–**	**(95)**	
Total comprehensive Income/(loss)	**67**	**116**	**(1,140)**	**(179)**	
Attributable to NCI:					
– Profit/(loss) for the year	**33**	**57**	**(304)**	**(22)**	**(236)**
– Total comprehensive income/(loss)	**33**	**57**	**(304)**	**(48)**	**(262)**
Non-current assets	**6,332**	**5,763**	**35,063**	**19,340**	
Current assets	**540**	**1,043**	**2,163**	**956**	
Non-current liabilities	**(660)**	**(530)**	**(38,236)**	**(17,054)**	
Current liabilities	**(1,274)**	**(1,638)**	**(759)**	**(3,407)**	
Net assets/(liabilities)	**4,938**	**4,638**	**(1,769)**	**(165)**	
Net assets/(liabilities) attributable to NCI	**2,420**	**2,273**	**(472)**	**(44)**	**4,177**
Cash flows from/(used in) operating activities	**836**	**872**	**655**	**(105)**	
Cash flows used in investing activities	**(667)**	**–**	**(842)**	**–**	
Cash flows from/(used in) financing activities	**75**	**(24)**	**727**	**111**	
Net increase in cash and cash equivalents	**244**	**248**	**429**	**6**	

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

16 NON-CONTROLLING INTERESTS (Continued)

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

17 SHARE-BASED PAYMENT ARRANGEMENT

ICP Performance Share Plan

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

Information regarding the Scheme is set out below.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

17 SHARE-BASED PAYMENT ARRANGEMENT (Continued)

The principal terms of the Scheme are:

(i) *Participants*

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

(ii) *Size of the Scheme*

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

(iii) *Grant of Awards*

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

(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 2020

18 LOANS AND BORROWINGS

	Group		Company	
	2020	**2019**	**2020**	**2019**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Secured bank loans:				
– Current	**363**	19,511	**–**	–
– Non-current	**18,903**	–	**–**	–
	19,266	19,511	**–**	–

The Group has a secured bank loan with a carrying amount of S$19,266,000 (2019: S$19,511,000) as at 30 June 2020. The secured bank loan is held by one of the subsidiaries of the Group, of which the loan is secured by the Group's hotel property and freehold land with carrying amount of S$31,595,000 (2019: S$31,728,000).

During the year ended 30 June 2019, one of the bank loan covenant requirements, which requires the maintenance of a debt service coverage ratio ("DSCR") of minimum 1.2 times, was breached. The subsidiary was not able to comply with the requirement of the DSCR because the hotel property held by the subsidiary was undergoing extensive refurbishment for 8 months during the previous financial year ended 30 June 2019, resulting in a lower profit before interest, tax, depreciation and amortisation. Consequently, the non-current portion of this outstanding bank loan, amounting to S$19,276,000, was reclassified to current liabilities as at 30 June 2019 in accordance with SFRS(I) 1-1 *Presentation of Financial Statements*.

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

During the year ended 30 June 2020, the subsidiary was not able to comply with the requirement of the DSCR because the hotel operation was affected by COVID-19 pandemic during the financial year.

On 3 April 2020, the Group secured a waiver letter from the bank for the financial year ended 30 June 2020. As a result, the non-current portion of this outstanding bank loan, amounting to S$18,903,000, was classified as non-current liabilities as at 30 June 2020 in accordance with SFRS(I) 1-1.

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					
2020					
Floating rate term loans	MYR	2.25% over the Bank's prevailing 1 month's effective cost of funds	2023	**19,266**	**19,266**
				19,266	**19,266**
Group					
2019					
Floating rate term loans	MYR	2.25% over the Bank's prevailing 1 month's effective cost of funds	2023	19,511	19,511
				19,511	19,511

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

18 LOANS AND BORROWINGS (Continued)

Terms and debt repayment schedule (Continued)

The term and bank loans are secured over:

(i) First legal charge over the Group's hotel property and freehold land with carrying amount of S$31,595,000 (2019: S$31,728,000) (Note 6);

(ii) Corporate guarantee by the Company;

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

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

(v) Fixed deposits pledged amounting to S$457,000 (2019: S$335,000) (Note 13).

Information about the Group and Company's exposure to interest rate, currency and liquidity risks is disclosed in Note 5.

Reconciliation of liabilities arising from financing activities

	Liabilities			
	Loans and borrowings S$'000	Amounts due to non-controlling interests (non-trade) S$'000	Lease liabilities S$'000	Total S$'000
Balance as at 1 July 2018	19,360	6,005	–	25,365
Changes from financing cash flows				
Proceeds from loans and borrowings	3,270	–	–	3,270
Proceeds from amounts due to non-controlling interests	–	655	–	655
Repayment of loan and borrowings	(2,580)	–	–	(2,580)
Effect of exchange rate	(539)	–	–	(539)
Total changes from financing cash flows	151	655	–	806
Balance as at 30 June 2019	19,511	6,660	–	26,171
Adoption of SFRS(I) 16	–	–	470	470
Balance as at 1 July 2019	19,511	6,660	470	26,641
Changes from financing cash flows				
Non-cash changes	–	–	34	34
Proceeds from amounts due to non-controlling interests	–	885	–	885
Repayment of loan and borrowings	(130)	–	–	(130)
Repayment of lease liabilities	–	–	(192)	(192)
Effect of exchange rate	(115)	–	–	(115)
Total changes from financing cash flows	(245)	885	312	952
Balance as at 30 June 2020	19,266	7,545	312	27,123

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

19 AMOUNTS DUE TO NON-CONTROLLING INTERESTS

	Group		Company	
	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000
– Current[(a)]	**1,540**	500	**715**	–
– Non-current[(b)]	**6,005**	6,160	**–**	–
	7,545	6,660	**715**	–

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

(b) The amounts are non-trade related, unsecured, non-interest bearing, and repayable on demand. The amounts have been classified as non-current liabilities as the Group does not expect for repayment within 12 months after the reporting date.

As at 30 June 2020, the amounts due to non-controlling interests of S$4,145,000 (2019: S$3,160,000) relate to amounts due to shareholders/directors of the Company.

20 DEFERRED TAX LIABILITY

Movement in deferred tax balances

	At 30 June 2018 S$'000	Recognised in profit or loss (Note 26) S$'000	At 30 June 2019 S$'000	Recognised in profit or loss (Note 26) S$'000	Effect of movement in exchange rate S$'000	At 30 June 2020 S$'000
Property, plant and equipment	1,037	104	1,141	49	2	1,192

21 TRADE AND OTHER PAYABLES

	Group		Company	
	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000
Trade payables	**628**	595	**49**	38
Accrued operating expenses	**660**	1,094	**241**	315
Dividend payable	**564**	564	**564**	564
Non-trade amount due to a subsidiary (Note 31)	**–**	–	**310**	9,506
Grant deferred income	**116**	–	**11**	–
	1,968	2,253	**1,175**	10,423

The carrying values of other payables approximated their fair values at balance sheet date as these amounts are payable within the next 12 months.

The Group and the Company's exposure to currency and liquidity risks related to trade and other payables is disclosed in Note 5.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

22 LEASE LIABILITIES (GROUP AS A LESSEE)

Lease liabilities (Disclosure required by SFRS(I) 16)

	2020 S$
Group	
Year 1	**193**
Year 2	**144**
	337
Less: Unearned interest	**(25)**
	312
Analysed as:	
– Current	**173**
– Non-current	**139**
	312

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

23 REVENUE

	Group 2020 S$'000	Group 2019 S$'000
SFRS(I) 15 *Revenue from Contracts with Customers*		
Sales of food and beverages	**29**	94
Hotel fees income	**2,966**	1,156
Hotel property income	**1,541**	1,281
	4,536	2,531
Other Income		
Charter income	**1,797**	1,811
Rental income	**104**	164
	1,901	1,975
Total revenue	**6,437**	4,506

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

23 REVENUE (Continued)

Sale of food and beverages

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

Hotel fees income

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

Hotel property income

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

24 FINANCE INCOME AND FINANCE COSTS

	Group	
	2020	**2019**
	S$'000	**S$'000**
Interest income on bank deposits	**38**	14
Finance income	**38**	14
Interest expense on financial liabilities measured at amortised cost	**(738)**	(453)
Foreign exchange gain/(loss), net	**73**	(8)
Finance costs	**(665)**	(461)
Net finance costs	**(627)**	(447)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

25 LOSS BEFORE TAX

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

	Group	
	2020 S$'000	2019 S$'000
Audit fees paid and payable to:		
– auditors of the Company	**110**	145
Non audit fees paid and payable to:		
– other auditor	**–**	4
Cost of inventories recognised to profit or loss in the year	**17**	121
Depreciation of property, plant and equipment	**2,304**	1,540
Depreciation of right-of-use assets	**170**	–
Amortisation of intangible assets	**20**	31
Property, plant and equipment written off	**–**	13
Operating lease expenses	**1**	177
Net loss arising on financial assets mandatorily measured at FVTPL	**227**	95
Dividend income	**(63)**	(35)
Employee benefits expense		
Salaries, bonuses and other costs		
– included in cost of sales	**167**	55
– included in administrative expenses	**1,801**	1,857
Contributions to defined contribution plans	**133**	115
	2,101	2,027

26 TAX EXPENSES

Tax recognised in profit or loss

	Note	Group	
		2020 S$'000	2019 S$'000
Current tax expense			
Current year		**–**	–
Deferred tax expense			
Origination and reversal of temporary differences		**62**	87
(Over)/Under provision of deferred tax expense in respect of prior years		**(13)**	17
	20	**49**	104
Total tax expense		**49**	104

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

26 TAX EXPENSES (Continued)

	Group	
	2020	**2019**
	S$'000	**S$'000**
Reconciliation of effective tax rate		
Loss before tax	**(1,275)**	(2,020)
Tax using the Singapore tax rate of 17%	**(217)**	(344)
Effect of different tax rates in different countries	**(85)**	(2)
Change in unrecognised temporary differences	**293**	274
Non-deductible expenses	**230**	171
Utilisation of unrecognised deferred tax assets	**(142)**	–
Tax exempt income	**(17)**	(12)
(Over)/Under provision of deferred tax expense in respect of prior years	**(13)**	17
	49	104

The following temporary differences have not been recognised:

	Group	
	2020	**2019**
	S$'000	**S$'000**
Deductible temporary differences	**2,591**	868
Unutilised capital allowances	**391**	391
Unutilised tax losses	**29,827**	29,820
	32,809	31,079

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

27 LOSS PER SHARE

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

	Group	
	2020	**2019**
	S$'000	**S$'000**
Loss for the year attributable to owners of the Company	**(1,088)**	(2,219)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

27 LOSS PER SHARE (Continued)

	No. of shares 2020 '000	No. of shares 2019 '000
Issued ordinary shares at beginning of the financial year	**3,111,689**	2,651,689
Effect of shares issued	**–**	460,000
Issued ordinary shares at end of the financial year	**3,111,689**	3,111,689
Weighted average number of ordinary shares	**3,111,689**	2,805,022
Basic and diluted loss per share (cents)	**(0.04)**	(0.08)

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 2020 and 2019.

28 SEGMENT INFORMATION

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

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

(b) Hospitality – Hotel management consultancy services

(c) Investment holding – Investment and management activities

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

28 SEGMENT INFORMATION (Continued)

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 2020					
Segment revenue					
Revenue from external customers	1,797	4,640	–	–	6,437
Inter-segment revenue	–	181	–	(181)	–
Total revenue	1,797	4,821	–	(181)	6,437
Finance income	–	28	10	–	38
Finance costs	–	(738)	73	–	(665)
Share of results of equity-accounted investees, net of tax	–	50	–	–	50
Tax expenses	(62)	13	–	–	(49)
Reportable segment profit/(loss) for the year	178	(359)	(1,202)	59	(1,324)
Other material items:					
Depreciation and amortisation charges for the year	1,478	1,031	3	(18)	2,494
Reportable segment assets	14,846	47,731	36,815	(37,593)	61,799
Reportable segment liabilities	8,426	48,373	8,230	(34,746)	30,283
Other segment information:					
Capital expenditure	752	1,172	–	–	1,924

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

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

Geographical information

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

	Group	
	2020 S$'000	2019 S$'000
Segment revenue		
Singapore	**3,261**	1,905
Malaysia	**1,942**	1,682
Korea	**971**	142
Hong Kong	**109**	597
Others	**154**	180
	6,437	4,506
Segment non-current assets		
Singapore	**21,299**	21,585
Malaysia	**34,362**	34,582
	55,661	56,167

Information about major customers

Revenue from a related party in the vessels chartering segment accounts for approximately S$1,797,000 (2019: S$1,811,000) or 28% (2019: 40%) of the Group's total revenues.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

29 OPERATING LEASE ARRANGEMENTS

Leases as a lessor

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

	Group	
	2020	**2019**
	S$'000	**S$'000**
Within 1 year	**864**	879

Leases as a lessee

At 30 June 2019, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group
	2019
	S$'000
Within 1 year	193
Between 2 to 5 years	337
	530

30 COMMITMENTS

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

	Group	
	2020	**2019**
	S$'000	**S$'000**
Investment in unquoted fund investment committed but not yet called up	**22**	54

31 RELATED COMPANIES AND OTHER PARTIES TRANSACTIONS

Related companies

Related companies in these financial statements refer to members of the Company's group of companies.

Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

31 RELATED COMPANIES AND OTHER PARTIES TRANSACTIONS (Continued)

Related parties

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

There are no significant transactions between the Group and related parties, other than those disclosed in the financial statements and the accompanying notes.

Compensation of directors and key management personnel

Key management personnel compensation comprises:

	Group		Company	
	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000
Short-term employment benefits	**566**	508	**244**	114
Directors' fees	**94**	114	**81**	114
Post-employment benefits	**41**	25	**23**	7
	701	647	**348**	235

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	
	2020	2019	2020	2019
	S$'000	S$'000	S$'000	S$'000
Non-controlling interests				
Vessels chartering income	**1,797**	887	**–**	–
Administrative fee charged by a corporate shareholder	**39**	38	**–**	–
Related corporations				
Hotel fees income from associate	**158**	467	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2020

32 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, the following SFRS(I)s pronouncements relevant to the Group and Company were issued but not effective:

Effective for annual periods beginning on or after 1 January 2022

Amendments to SFRS(I) 1-16 *Property, Plant and Equipment – Proceeds before Intended Use*
Amendments to SFRS(I) 1-37 *Provisions – Onerous Contracts – Cost of Fulfilling a Contract*
Annual Improvements to SFRS(I)s 2018-2020 – SFRS(I) 9 *Financial Instruments*

Effective for annual periods beginning on or after 1 January 2023

Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current and Non-Current*

Management anticipates that the adoption of the above SFRS(I)s, SFRS(I) INTs and amendments to SFRS(I) in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

33 IMPACT OF COVID-19 ON THE GROUP'S OPERATIONS

The outbreak of COVID-19, has resulted in the implementation of tighter cross border travel restrictions and local social distancing in various countries. This has significantly curtailed international inbound and domestic inter-city travel, and consequently the hospitality industry has been directly impacted.

The Group has considered the challenges arising from the outbreak and assessed the impact of COVID-19 on its operations, and anticipated that adequate funds are available for its operating requirements and meeting debt obligations in the next 12 months from the date of this financial statements as disclosed in Note 2.2 to the financial statements.

34 EVENTS AFTER REPORTING PERIOD

On 7 September 2020, the Company announced to undertake a capital reduction exercise to reduce the share capital of the Company by the cancellation of the share capital of the Company to the extent of the amount of the accumulated losses of the Company up to 30 June 2020 of S$52,808,000. The capital reduction exercise is subject to shareholders' approval at the extraordinary general meeting which will be held on 30 September 2020.

STATUS REPORT ON THE USE OF PROCEEDS

As at 31 August 2020

Pursuant to the undertaking by the Company dated 5 March 2019 to, *inter alia*, make periodic announcements on the utilisation of proceeds from the placement of shares in March 2019 ("2019 Placement of Shares") and to provide a status report on the use of the proceeds from the 2019 Placement of Shares in the Company's annual report, the directors wish to advise that further to the Company's announcements on 20 March 2019, 10 May 2019, 29 August 2019 and 13 February 2020, the proceeds of S$3,910,000.00 from the 2019 Placement of Shares have been utilised as at 31 August 2020, 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*	3,110
Total utilised from 2019 Placement of Shares by ICP Ltd. as at 31 August 2020	3,110
Balance of proceeds held as fixed deposit at bank as at 31 August 2020	800

* Working capital utilisation such as professional fees, payroll related expenses, administrative overheads and listing related fees.

ANALYSIS OF ORDINARY SHAREHOLDINGS

As at 4 September 2020

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

ANALYSIS OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	357	1.51	12,238	0.00
100 – 1,000	11,130	46.89	5,217,419	0.17
1,001 – 10,000	6,687	28.17	28,221,558	0.91
10,001 – 1,000,000	5,411	22.80	510,047,299	16.39
1,000,001 and above	150	0.63	2,568,190,608	82.53
	23,735	100.00	3,111,689,122	100.00

LIST OF TWENTY LARGEST SHAREHOLDERS

Name	No. of Shares	%
HSBC (Singapore) Nominees Pte Ltd	640,600,687	20.59
Raffles Nominees (Pte) Limited	478,164,200	15.36
UOB Kay Hian Pte Ltd	257,634,900	8.28
Phillip Securities Pte Ltd	211,228,557	6.79
Citibank Nominees Singapore Pte Ltd	135,308,916	4.35
DBS Nominees Pte Ltd	65,959,465	2.12
Ho Peng Cheong	48,900,000	1.57
Ng Choon Ngoi @ Ng Choon Ngo	47,603,900	1.53
CGS-CIMB Securities (Singapore) Pte Ltd	46,698,840	1.50
Zaheer K Merchant	35,895,800	1.15
Ong Kok Wah	35,600,000	1.14
Lau Yee Choo	33,200,000	1.07
Ang Zhi Cheng	29,275,900	0.94
United Overseas Bank Nominees Pte Ltd	27,913,137	0.90
Lim Hoon Min	27,550,000	0.89
Wu Chung Shou	23,000,000	0.74
Tay Lian Leong	21,000,000	0.67
Maybank Kim Eng Securities Pte. Ltd	17,105,966	0.55
Wong Kian Yeuan	16,387,600	0.53
Choo Ah Seng	16,247,000	0.52
	2,215,274,868	71.19

ANALYSIS OF ORDINARY SHAREHOLDINGS

As at 4 September 2020

SUBSTANTIAL SHAREHOLDERS

As shown in the Register of Substantial Shareholders as at 4 September 2020

	Direct Interest		Deemed Interest	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**
Aw Cheok Huat[(1)]	–	–	647,627,900	20.81
CMIA Premier Advantage I Limited[(2)]	460,000,000	14.78	–	–
Lee Chong Min[(3)]	–	–	460,000,000	14.78

Notes:

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

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

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

PUBLIC FLOAT

Based on the information available to the Company as at 4 September 2020, approximately 60.02% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of ICP Ltd. (the "Company") will be held by way of electronic means on Wednesday, 30 September 2020 at 3.00 p.m., for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 30 June 2020 together with the Auditor's Report thereon. **Resolution 1**

2. To re-elect Mr. Ong Kok Wah, who is retiring pursuant to Regulation 109 of the Company's Constitution. **Resolution 2**

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

3. To approve the payment of Directors' fees of S$81,337 for the year ended 30 June 2020 (2019: S$113,761/-). **Resolution 3**

4. To re-appoint Messrs Deloitte & Touche 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 resolutions 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 percent (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;

(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);

NOTICE OF ANNUAL GENERAL MEETING

"**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;

(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

NOTICE OF ANNUAL GENERAL MEETING

(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

ONG MIN'ER
Joint Company Secretary
15 September 2020

Explanatory Notes:

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 percent (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 2020 are set out in greater detail in the Addendum enclosed together with the Annual Report.

Notes:

1. The Annual General Meeting ("AGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM will not be sent to members. Instead, this Notice of AGM will be sent to members by electronic means via publication on the Company's website at the URL https://www.icp.com.sg and at the SGX website at the URL https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast ("Live Webcast") or "live" audio-only stream ("Live Audio Stream")), submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the AGM as proxy, are set out in the accompanying Company's announcement dated 15 September 2020 ("AGM Alternative Arrangements Announcement"). The AGM Alternative Arrangements Announcement, this Notice of AGM, the Addendum, the Annual Report of the Company and the proxy form may be accessed at the Company's website at the URL https://www.icp.com.sg as well as at the SGX website at the URL https://www.sgx.com/securities/company-announcements.

3. The proceedings of the AGM will be broadcasted "live" through a Live Webcast or Live Audio Stream. Members and investors holding shares in the Company through the Central Provident Fund ("CPF") or Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors") who wish to follow the proceedings through a Live Webcast via their mobile phones, tablets or computers or listen to the proceedings through a Live Audio Stream via telephone must pre-register at the URL https://complete-corp.com.sg/icp-agm-egm/ no later than 3.00 p.m. on 27 September 2020 ("Registration Cut-Off Time"). Following verification, an email containing instructions on how to access the Live Webcast and Live Audio Stream of the proceedings of the AGM will be sent to authenticated members and CPF/SRS investors by 12.00 p.m. on 29 September 2020. Members and CPF/SRS investors who do not receive any email by 12.00 p.m. on 29 September 2020, but have registered by the Registration Cut-Off Time, should contact Complete Corporate Services Pte Ltd at +65 6329 2745 between 12.00 p.m. and 6.00 p.m. on 29 September 2020 or between 9.00 a.m. and 1.00 p.m. on 30 September 2020 or via email to icp-agm-egm@complete-corp.com.sg for assistance.

   Investors holding shares through relevant intermediaries (as defined in Section 181 of the Companies Act) ("Investors") (other than CPF/SRS investors) will not be able to pre-register at the URL https://complete-corp.com.sg/icp-agm-egm/ for the "live" broadcast of the AGM. An Investor (other than CPF/SRS investors) who wishes to participate in the "live" broadcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order for the relevant intermediary to make the necessary arrangements to pre-register. The relevant intermediary is required to submit a consolidated list of participants (setting out in respect of each participant, his/her name, email address and NRIC/Passport number) to the Company, via email to the Company's Polling Agent at icp-agm-egm@complete-corp.com.sg no later than 3.00 p.m. on 27 September 2020.

NOTICE OF ANNUAL GENERAL MEETING

4. **Due to the current COVID-19 situation, a member will not be able to attend the AGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**

   The instrument appointing the Chairman of the AGM as proxy ("proxy form") may be accessed at the Company's website, the pre-registration website and the SGX website. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

5. The Chairman of the AGM, as proxy, need not be a member of the Company.

6. The proxy form is not valid for use by Investors and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify his/her voting instructions. CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by 5.00 p.m. on 18 September 2020, being seven (7) working days before the date of the AGM.

7. The proxy form must be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged at the office of the Company's Polling Agent, Complete Corporate Services Pte Ltd, at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or

   (b) if submitted electronically, be submitted via email to the Company's Polling Agent at icp-agm-egm@complete-corp.com.sg, in either case, not less than seventy-two (72) hours before the time appointed for holding the AGM.

   A member who wishes to submit the proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

8. The proxy form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal (or by the signatures of authorised persons in the manner as set out under the Companies Act as an alternative to sealing) or under the hand of an attorney or a duly authorised officer of the corporation.

9. Where the proxy form 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 proxy form, failing which the proxy form may be treated as invalid.

10. A depositor's name must appear in the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time appointed for holding the AGM in order for the depositor to be entitled to attend, speak and vote at the AGM.

11. Members and Investors will not be able to ask questions "live" during the broadcast of the AGM. All members and CPF/SRS investors may submit questions relating to the business of the AGM no later than 3.00 p.m. on 27 September 2020:

    (a) via the pre-registration website at the URL https://complete-corp.com.sg/icp-agm-egm/;

    (b) by email to icp-agm-egm@complete-corp.com.sg; or

    (c) by post to the registered office of the Company at 10 Anson Road, #28-16 International Plaza, Singapore 079903, attention to Company Secretary.

    In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult to submit questions by post, members and Investors are strongly encouraged to submit their questions via the pre-registration website or by email. The Company will endeavor to answer all substantial and relevant questions prior to, or at, the AGM.

    Investors (other than CPF/SRS investors) will not be able to submit questions relating to the business of the AGM via the above means. Instead, they should approach their relevant intermediaries as soon as possible in order for the relevant intermediaries to make the necessary arrangements for them to submit questions in advance of the AGM.

12. All documents (including the Annual Report, this Notice of AGM, the Addendum and the proxy form) or information relating to the business of the AGM have been, or will be, published on the Company's website and the SGX website. **Printed copies of the documents will not be dispatched to members.** Members and Investors are advised to check the Company's website or SGX website regularly for updates

Personal data privacy: By (a) submitting a proxy form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, (b) submitting any questions prior to the AGM or (c) submitting the pre-registration form in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as proxy for the AGM (including any adjournment thereof); processing the pre-registration forms for purposes of granting access to members for the Live Webcast or Live Audio Stream and providing viewers with any technical assistance, when necessary; addressing substantial and relevant questions from members received in advance of the AGM; the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines, and (ii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ICP LTD.

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

PROXY FORM –
ANNUAL GENERAL MEETING

IMPORTANT:

1. The Annual General Meeting ("AGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to the AGM and voting by appointing the Chairman of the AGM as proxy, are set out in the Notice of AGM and the accompanying Company's announcement dated 15 September 2020 ("AGM Alternative Arrangements Announcement").
3. The AGM Alternative Arrangements Announcement, the Notice of AGM and this proxy form have been made available on the Company's website at the URL https://www.icp.com.sg and at the SGX website at the URL https://www.sgx.com/securities/company-announcements. Printed copies of the Notice of AGM and this proxy form will not be sent to members.
4. **Due to the current COVID-19 situation, a member will not be able to attend the AGM in person. A member will also not be able to vote online on the Resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. In appointing the Chairman of the AGM as proxy, a member must give specific instructions as to voting, or abstentions from voting, in respect of a Resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that Resolution will be treated as invalid.**
5. This proxy form is not valid for use by investors holding shares in the Company through relevant intermediaries ("Investors") (including investors holding through Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") ("CPF/SRS investors")) and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks and SRS Operators to submit their voting instructions by 5.00 p.m. on 18 September 2020, being seven (7) working days before the AGM.

Personal data privacy:
By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 15 September 2020.

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

of ____ (Address)

being a member/members of ICP LTD. (the "**Company**"), hereby appoint the Chairman of the AGM, as my/our* proxy*, to attend, speak and vote for me/us* and on my/our* behalf at the AGM of the Company to be held by way of electronic means on Wednesday, 30 September 2020 at 3.00 p.m. and at any adjournment thereof. I/We direct the Chairman of the AGM, being my/our proxy, to vote for or against, or abstain from voting, on the Resolutions proposed at the AGM as indicated hereunder.

No.	Resolutions relating to:	For**	Against**	Abstain**
	Ordinary Business:			
1	Adoption of Directors' Statement and Audited Financial Statements for the year ended 30 June 2020 together with the Auditors' Report			
2	Re-election of Mr. Ong Kok Wah as a Director			
3	Approval of Directors' fees amounting to S$81,337 for the year ended 30 June 2020			
4	Re-appointment of Messrs Deloitte & Touche 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			

* Please include your vote "For" or "Against" with a tick within the box provided. If you mark a tick in the "Abstain" box, you are directing your proxy not to vote.
** If you wish to exercise all your votes "For" or "Against" or "Abstain", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this __________ day of ____________ 2020

Total Number of Shares Held (Note 1)	

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

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM OVERLEAF

NOTES

1. Please insert the total number of Shares in the share capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. **Due to the current COVID-19 situation, a member will not be able to attend the AGM in person. A member will also not be able to vote online on the Resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. This proxy form may be accessed from the Company's website at the URL https://www.icp.com.sg, the pre-registration website at the URL URL https://complete-corp.com.sg/icp-agm-egm/ and the SGX website at the URL https://www.sgx.com/securities/company- announcements.**

   Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a Resolution in the proxy form, failing which the appointment of the Chairman of the AGM as proxy for that Resolution will be treated as invalid.

3. The Chairman of the AGM, as proxy, need not be a member of the Company.

4. The proxy form must be submitted in the following manner:

   (a) if submitted by post, be lodged at the office of the Company's Polling Agent, Complete Corporate Services Pte Ltd at 10 Anson Road, #29-07 International Plaza, Singapore 079903; or

   (b) if submitted electronically, be submitted via email to the Company's Polling Agent at icp-agm-egm@complete-corp.com.sg,

   in either case, not less than seventy-two (72) hours before the time appointed for holding the AGM.

   A member who wishes to submit the proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The proxy form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal (or by the signatures of authorised persons in the manner as set out under the Companies Act (Chapter 50) as an alternative to sealing) or under the hand of an attorney or a duly authorised officer of the corporation.

6. Where the proxy form 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 proxy form, failing which the proxy form may be treated as invalid.

7. For Investors (including CPF/SRS investors), this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. An Investor who wishes to vote should instead approach his/her relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors who wish to vote should approach their respective CPF Agent Banks and SRS Operators to submit their voting instructions by 5.00 p.m. on 18 September 2020, being seven (7) working days before the AGM.

GENERAL

The Company shall be entitled to reject the proxy form 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 proxy form. In addition, in the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any proxy form lodged if such members are not shown to have Shares entered against their names in the Depository Register as at seventy-two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

INVESTMENT CAPITAL PARTNERS

ICP LTD.
ANNUAL REPORT FY2020

COMPANY REGISTRATION NO: 196200234E

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