



Securities Investors Association (Singapore)

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UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: ICP Ltd.

Stock code: 5I4

Meeting details:

Date: 21 October 2021

Time: 4.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Q1. Would the board/management provide shareholders with greater clarity on the following operational matters? Specifically:

- (i) **Hotels: How many of the group's hotels have stayed open or have resumed operations?**
- (ii) **Hotel management and franchising: How were the hotel fees (for the provision of hotel management services and franchise fees) adjusted during the pandemic, especially if the franchisee or owner decided to shut the hotels?**
- (iii) **Japan: The group's entry into Japan (Osaka) did not materialise. What were the reasons that the purchase and sale agreement could not be "fulfilled in its entirety"? Can management elaborate further on the group's expansion plans (including the pace) given how COVID-19 has impacted the travel industry?**
- (iv) **Marine: Can management provide shareholders with greater clarity on the marine operations, including the business model, the prospects and the risks?** It is noted that revenue from the vessel chartering segment increased slightly by \$25,000 due to an increase in chartering rate. Further, on page 139 and 141, it was disclosed that the entire \$1.82 million in vessels chartering income was deemed a related party transaction. **Who are the customers for the group's two Singapore-flagged petroleum product tankers? Are these on long-term contracts and how are the rates determined?**
- (v) **Unquoted fund investments:** The group has investments in unquoted fund investments with carrying value of \$639,000 as at 30 June 2021. **Please identify the underlying funds/assets. What is the long-term performance of the unquoted fund investment?**

Q2. In Note 14 (page 123 – Share capital), it was stated that the company has undertaken a capital reduction exercise to reduce the share capital of the company by the cancellation of the share capital of the company that has been lost or is unrepresented by available assets to the extent of the amount of the accumulated losses of the company up to 30 June 2020 of **S\$52,808,188** [emphasis added].

As disclosed in the company's circular dated 8 September 2020, the accumulated losses arose mainly from losses incurred and accumulated over the years. Just prior to the change in the company's name to ICP, the accumulated losses were \$(30.0) million and \$(45.8) million as at 30 June 2011 and 30 June 2012 respectively.

Since the change in the company's name in October 2012, along with the new directors being appointed to the board, the company's accumulated losses have further increased to \$(52.8) million in the 8-9 years since. During that period, the company has invested in the marine business, the coal business (Paragon and Tiaro Coal) and unquoted fund investments (CMIA China Fund IV).

The directors who have been on the board for the majority of this time are Mr. Tan Kok Hiang and Mr. Ong Kok Wah, who were appointed as directors of the company on 2 March 2012 and 21 January 2013 respectively. Mr Aw Cheok Huat who retired on 29 October 2019 as the chairman was first appointed on 19 December 2012 and led the company for approximately 7 years.

- (i) **Can the board help shareholders understand the cumulative losses attributable to Paragon and to Tiaro?**
- (ii) **What is the cumulative performance of the marine business? Will the board be carrying out a strategic review to determine if it is appropriate to monetise its investment in the marine segment at this point in the market cycle especially since there is no synergy with the hotel management and franchising business?**
- (iii) **Similarly, what is the overall returns of the investment into the unquoted fund investment (CMIA China Fund IV)?**

Mr Tan Kok Hiang would be seeking his re-election and, together with Mr Ong Kok Wah, their continued appointment as independent directors by a two-tier vote at the annual general meeting scheduled to be held on 21 October 2021.

- (iv) **Can both directors elaborate further on their (individual) effectiveness as directors of the company and help shareholders understand their contribution in enhancing the long-term value of the group?**
- (v) **Given the tenure of the directors, and Mr Ong Kok Wah's shareholding interest in the company and in one of the subsidiaries, how do the directors who are seeking their re-election/two-tier vote avoid group think?**

Q3. The company has engaged an independent accounting firm, Kreston David Yeung PAC, as the internal auditors of the group. As noted in the company's report on corporate governance, the internal auditors have unfettered access to all the company's documents, records, properties and personnel, including access to the audit committee. 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 (page 46).

The internal audit plan is reviewed and approved by the AC.

- (i) **How was the internal audit plan drawn up?**
- (ii) **What is the scope of the internal audit plan?**
- (iii) **Can the AC confirm if the GMT entities, the Malaysian subsidiaries and the joint venture in Thailand are covered by the internal audit?**
- (iv) **What are the key findings of the internal audit?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](http://www.sias.org.sg)

[^] Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation
(<https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation>)



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