ICP LTD.

Company Registration No. 196200234E

(Incorporated in Singapore)

(A) PROPOSED ACQUISITION OF A HOTEL PROPERTY

(B) PROPOSED PURCHASE OF SHARES IN GEO HOTEL SDN. BHD.

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1. Introduction

The Board of Directors (the "**Board**" or the "**Directors**") of ICP Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcement dated 30 August 2017 and 8 September 2017. Midscale Hotels Investment Pte. Ltd. ("**MHI**"), a wholly-owned subsidiary of the Company, and Mr Aw Cheok Huat ("**Mr Aw**") have incorporated a joint venture company MHI MY 1 Pte. Ltd. ("**MY1PL**" or "**JVCo**"). Mr Aw is the Non-Executive Chairman and Controlling Shareholder of the Company. The shareholding interests of the Company and Mr Aw in the JVCo are 73.3% and 26.7% respectively.

The wholly-owned subsidiary of the JVCo, MHI MY 1 Sdn. Bhd. ("**MY1SB**"), has entered into the following Sale and Purchase Agreements on 15 September 2017: -

i. a conditional Sale and Purchase Agreement ("**Property SPA**") with Geo Metal Sdn. Bhd. ("**GMSB**") and Leong Poh Hoong (collectively, the "**Property Vendors**") to acquire 100% interest in a commercial freehold land (the "**Land**") and a 10-storey building erected thereon, currently operating as Geo Hotel (the "**Building**") (collectively, the "**Target Property**") for a purchase consideration of RM85,500,000 ("**Proposed Acquisition 1**") (equivalent to approximately S$27.1 million).

ii. a conditional Sale and Purchase Agreement ("**Shares SPA**") with Leong Poh Hoong, Leong Poh Whye and Chow Ling Tze (collectively, the "**Share Vendors**") to acquire 100% interest in Geo Hotel Sdn. Bhd. ("**GHSB**", the "**Target Company**"), for a purchase consideration of RM500,000 ("**Proposed Acquisition 2**") (equivalent to approximately S$0.16 million).

The aggregate purchase consideration of the above Proposed Acquisition 1 and Proposed Acquisition 2 (collectively, the "**Proposed Acquisition**") is RM86,000,000 (equivalent to approximately S$27.3 million). The Property SPA and Shares SPA (collectively, the "**SPA**") are executed simultaneously.

2. Information About the Property and Various Entities

i. Target Property

The Target Property consists of a commercial freehold land measuring approximately 1,082 square metres and a building of ten storeys block, with 180 rooms, 371 square metres of retail spaces and one level of basement car park. The Target Property is currently a premium economy hotel operating as Geo Hotel Kuala Lumpur. The Target Property has a total gross floor area measuring approximately 7,906 square metres, of which approximately 371 square metres of gross floor area is leased out to retail tenants.

The Target Property is situated along Hang Kasturi road, in the heart of Kuala Lumpur, Malaysia. It is located adjacent to Chinatown and within a 5-minutes' walk to popular tourist spots, such as Kasturi Walk, Petaling Street and iconic Central Market (Malaysia's largest arts and crafts centre). It is also within a 2-minutes' walk to Pasar Seni LRT Station.

ii. **Target Company**

The Target Company is a private limited company incorporated under the laws of Malaysia. The Company has an issued share capital of RM100 comprising of one hundred (100) fully paid up ordinary shares. Target Company is principally involved in the business of hotel management and other related activities. The Target Property is currently leased to the Target Company and operated by Target Company as Geo Hotel Kuala Lumpur. Target Company holds all the licences and regulatory approvals, and employs all the staff relating to the operating of the hotel.

iii. **Property Vendors**

GMSB is a private limited company incorporated under the laws of Malaysia. GMSB owns 100% of the Building and 60% of the Land, while Leong Poh Hoong owns 40% of the Land.

iv. **Share Vendors**

Leong Poh Hoong, Leong Poh Whye and Chow Ling Tze are the registered and beneficial owners of the shares in Target Company, representing 100% of the total share capital of the Target Company.

v. **JVCo or MY1PL**

JVCo is a newly incorporated company in Singapore. The issued and paid up capital of the JVCo is S$1,500 comprising of 1,500 ordinary shares, of which 1,100 ordinary shares have been subscribed by MHI and 400 ordinary shares have been subscribed by Mr Aw, representing 73.3% and 26.7% of the issued and paid-up capital respectively. The principal activity of the company is investment holding.

vi. **MY1SB**

MY1SB is a newly incorporated company under the laws of Malaysia. The issued and paid up capital of the MY1SB is RM1 comprising of 1 ordinary share. The principal activity of the company is property investment and management.

vii. **Introducer**

The Proposed Acquisition was introduced by an unrelated third party for an introducer's fee of RM600,000 (equivalent to approximately S$0.2 million), subject to the completion of the Proposed Acquisition.

3. Consideration

Under the terms of the SPA, the total consideration payable by MY1SB is RM86,000,000 (the "**Consideration**") (equivalent to approximately S$27.3 million).

The Consideration was arrived at after arm's length negotiations, on a willing-buyer and willing-seller basis and determined on the basis of and taking into account, inter alia, the net tangible assets of the Target Company, the valuation report of the Target Property done on 6 September 2017 by an independent valuer appointed by the Company, Messrs Firdaus and Associates, which states that the market value of the Target Property is RM90,000,000 (equivalent to approximately S$28.6 million), derived from comparable real estate transactions in the surrounding vicinity of the Target Property.

The Company's share of the Consideration shall be RM63,066,667 (equivalent to approximately S$20.0 million) and Mr Aw's share of the Consideration shall be the remaining RM22,933,333 (equivalent to approximately S$7.3 million).

The funding for Company's share of Consideration shall be satisfied by a combination of internal resources and bank borrowings.

4. Rationale for the Proposed Acquisition

The Proposed Acquisition is in line with the Group's strategy of expanding its hotel investment and management business segment, as part of the wider hospitality business which has the potential for growth to the benefit of the Company and its Shareholders.

The Proposed Acquisition will enable the Group to expand the Travelodge brand footprint in Asia, from the 4 Travelodge hotels in Hong Kong and Thailand. Moreover, the Proposed Acquisition also furthers the Group's objective of building a scalable hotel investment platform focused on acquiring midscale hotels in selected regions of Asia.

The Proposed Acquisition presents an attractive opportunity to own a freehold property situated in Kuala Lumpur, one of the gateway cities in Asia. Given the Target Property's prime location in close proximity to various tourist attractions and connectivity to the business district, the hotel is well positioned to attract both business and leisure travellers. The building will also command high visibility for the Travelodge's brand and enjoy prominent frontage in the Chinatown and Petaling Street Area.

5. Completion

This acquisition is expected to complete within six (6) months from the date of SPA, upon fulfilment of all the conditions precedent set out in the SPA (unless waived by the relevant party) and payment of remaining balance consideration in full, but may be extended by one (1) month for the fulfilment of paragraph 6(d) of this announcement.

In the event of non-fulfilment of the Conditions Precedent set out in paragraph 6(a), an Earnest Deposit of 2% of the Consideration will be non-refundable.

6. Conditions Precedent for the Proposed Acquisition

Completion of the Proposed Acquisition is subject to, amongst others, the following key conditions precedent (the "**Conditions Precedent**"): -

(a) approval of the Shareholders of the Company at the ordinary general meeting ("**EGM**') for the Proposed Acquisition;

(b) the Share Vendors shall have procured the passing of the directors resolutions of the Target Company for the transfer and registration of the respective shares from the Share Vendors to MY1SB;

(c) where applicable and in relation to the relevant approvals and/or licences required for the operation of the hotel business, to be issued by any Government Agency, and where such approvals and/or licences in the reasonable opinion of MY1SB or the Share Vendors will expire on or before the completion date, or the extended completion date, whichever applicable, the obtaining of the renewal of such approval and/or licences by Target Company for the operation of the hotel business; and

(d) MY1SB having received the approval of the Appropriate Authorities under Section 433B of the National Land Code 1965 of Malaysia for the acquisition of the Target Property.

7. Other Salient Terms of the SPA

(a) Property SPA

i) Property Vendors agrees to sell and MY1SB agrees to purchase the Target Property, together with the fixtures & fittings on an as-is-where-is basis in respect of the physical state or condition of the hotel and the fixtures & fittings, free from all encumbrances, with vacant possession (save and except for the demised premises which shall be with legal possession) the existing category of land use and all restrictions in interest and conditions of title.

ii) The completion of the Property SPA shall be inter-conditional with the completion of the Shares SPA.

(b) Shares SPA

Prior to and as at Shares SPA completion, the Share Vendors shall ensure that: -

i) the Share Vendors shall procure that the value of the net tangible assets of the Target Company shall be positive;

ii) all liabilities of the Target Company shall have been fully settled on or before the Shares SPA completion, such that the Target Company shall have no liability as at the Shares SPA completion, and in particular the Share Vendors shall have settled all monies arising or owing to creditors specified in the Shares SPA up to and prior to the Shares SPA completion.

8. Relative Figures under Rule 1006 of the Listing Manual

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual Section B; Rules of Catalist of the SGX-ST ("**Catalist Rules**"), based on the latest announced unaudited consolidated accounts of the Group for the financial year ended 30 June 2017 are set out below:

Rule		Relative Figure (%)
1006 (a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
1006 (b)	Net profits/(loss) attributable to the assets acquired of disposed of, compared with the Group's net profits	- 1.9%[i]
1006 (c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalisation	94%[ii]
1006 (d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
1006 (e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

Notes: -

(i) Based on the Target Company's and Target Property's pro forma unaudited profit after taxation of RM155,908 (equivalent to approximately S$49,495) for the year ended 31 December 2016 and the latest announced unaudited loss after taxation of the Group of S$2.6 million for the financial year ended 30 June 2017.

(ii) Based on the Company's share of the Consideration of RM63,066,667 (equivalent to approximately S$20.0 million), and the market capitalisation of the Company of S$21,213,513 determined by multiplying 2,651,689,122 shares in issue of the Company by the weighted average price of such shares transacted on 12 September 2017, being the last transacted market day prior to the signing of the SPA.

As the relative figure computed under Rule 1006(c) of the Catalist Rules exceeds 75% but is below 100%, the Proposed Acquisition constitutes a major transaction as defined in Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and is subject to, amongst others, the approval of the shareholders of the Company (the "**Shareholders**") at an EGM of the Company to be convened.

9. Financial Effects

The tables illustrating the effects of the Proposed Acquisition on the (i) net tangible assets[1] ("**NTA**") per share for the Company (assuming the Proposed Acquisition had been completed at the end of FY2017 and (ii) the earnings per share ("**EPS**") of the Company (assuming that the Proposed Acquisition had been completed at the beginning of FY2017) based on the latest announced unaudited financial statements of the Company for FY2017 are set out below: -

(i) NTA

	Before the Proposed Acquisition	**After the Proposed Acquisition**
NTA (S$'000)	28,952	28,776
Number of shares ('000)	2,651,689	2,651,689
NTA per share (cents)	1.09	1.09

Note: -

(1) Net tangible assets mean total assets less total liabilities and intangible assets.

(ii) EPS

	Before the Proposed Acquisition	**After the Proposed Acquisition**
Net loss for the year attributable to equity holders of the Company (S$'000)	(2,712)	(2,657)
Weighted average number of ordinary shares ('000)	2,622,522	2,622,522
Loss per share (cents)	(0.10)	(0.10)

10. Circular

A circular containing, amongst others, the notice of EGM and further information on the Proposed Acquisition will be despatched to Shareholders in due course.

11. Interests of Directors and Substantial Shareholders

Save for Mr Aw's interest in the JVCo, none of the other directors or substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Acquisition, other than through their shareholding interests in the Company.

12. Audit Committee's Opinion

In respect of JVCo and the funding of the Proposed Acquisition, Mr Aw would be regarded as an "interested person" as defined in Chapter 9 of the Catalist Rules. As such, Mr Aw and his concert parties will abstain from voting at the EGM.

The Audit Committee is of the view that the risks and rewards of the joint venture and the provision of loans to the JVCo for the purpose of funding the Proposed Acquisition are in proportion to the equity of each joint venture partner, and the terms of the Joint Venture are not prejudicial to the interests of the Company and its minority shareholders. The Audit Committee also confirms that Mr Aw does not have an existing equity interest in the Joint Venture prior to the participation of the Group in the Joint Venture.

Based on the above, pursuant to Rule 916(2) and 916(3) of the Catalist Rules, the joint venture between the Group and Mr Aw in respect of JVCo and the funding of the Proposed Acquisition is not subject to shareholders' approval requirement under Rule 906 of the Catalist Rules.

13. Service Contracts of Directors

Mr Aw Ming-Yao Marcus ("**Mr Marcus Aw**"), a director of Travelodge Hotels (Asia) Pte. Ltd., a wholly-owned subsidiary of the Company, Mr Aw and Mr Ong Kok Wah ("**Mr Ong**") will be appointed as directors in MY1PL.

There are no service contracts entered into by Mr Aw, Mr Ong and Mr Marcus Aw with these companies in connection with the Proposed Acquisition.

14. Documents for Inspection

A copy of the Property SPA, Shares SPA and valuation report of the Target Property are available for inspection at the Company's registered office at 10 Anson Road, #29-07 International Plaza, Singapore 079903 for 3 months from the date of this announcement.

15. Caution In Trading

Shareholders and potential investors are advised to exercise caution in the trading of their shares in the Company. The Proposed Acquisition is subject to, inter alia, the fulfilment of the conditions of the SPA. There is no certainty and assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the actions they should take.

BY ORDER OF THE BOARD
For and on behalf of ICP Ltd.

Shirley Lim Guat Hua
Company Secretary

15 September 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the SGX-ST.

The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or options made, or reports contained in this announcement.

The contact person for the Sponsor is:

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