ICP LTD (Co. No. 196200234E)

Unaudited Half-Year Financial Statement and Dividend Announcement for the Period Ended 31 December 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) AND HALF-YEAR RESULTS

1(a) (i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial period

	Group		
	6 Months Ended 31/12/2018 S$'000	**6 Months Ended 31/12/2017 S$'000**	**Increase/ (Decrease) %**
Revenue	2,168	1,289	68.2
Cost of sales	(824)	(528)	56.1
Gross profit	**1,344**	**761**	**76.6**
Other income	18	49	(63.3)
Administrative expenses	(2,188)	(2,032)	7.7
Results from operating activities	**(826)**	**(1,222)**	**(32.4)**
Finance income	4	84	(95.2)
Finance costs	(557)	(77)	N.M.
Net finance (cost)/income	(553)	7	N.M.
Share of results of equity-accounted investees, net of tax	18	26	(30.8)
Loss before tax	**(1,361)**	**(1,189)**	**14.5**
Tax expenses	-	-	-
Loss for the period	**(1,361)**	**(1,189)**	**14.5**
Loss for the period attributable to:			
Owners of the Company	(1,441)	(1,342)	7.4
Non-controlling interests	80	153	(47.7)
	(1,361)	**(1,189)**	**14.5**

N.M.- Not Meaningful

1(a) (ii) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial period

	Group		
	6 Months Ended 31/12/2018 S$'000	**6 Months Ended 31/12/2017 S$'000**	**Increase/ (Decrease) %**
Loss for the period	**(1,361)**	**(1,189)**	**14.5**
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
- Foreign currency translation differences	(337)	-	N.M.
Other comprehensive loss, net of tax	(337)	-	N.M.
Total comprehensive loss for the period	**(1,698)**	**(1,189)**	**42.8**
Total comprehensive (loss)/ income attributable to:			
Equity holders of the Company	(1,686)	(1,342)	25.6
Non-controlling interests	(12)	153	N.M.
Total comprehensive loss for the period	**(1,698)**	**(1,189)**	**42.8**

1(a) (iii) Notes to the income statement

		Group		
		6 Months Ended 31/12/2018 S$'000	**6 Months Ended 31/12/2017 S$'000**	**Increase/ (Decrease) %**
	Operating loss is stated after charging/ (crediting):			
(a)	Foreign exchange loss/(gain)	-	(7)	N.M.
(b)	Interest income	(4)	(84)	(90.5)
(c)	Interest on borrowings	557	77	N.M.
(d)	Depreciation of plant and equipment	757	507	49.3
	- included in cost of sales	612	467	31.0
	- included in administrative expenses	145	40	N.M.
(e)	Amortisation of intangible assets	19	39	(51.3)
(f)	Operating lease expenses	98	152	(35.5)

N.M.- Not Meaningful

1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

Unaudited statements of financial position as at 31 December 2018

	Group		Company	
	31/12/18 S$'000	30/06/18 S$'000	31/12/18 S$'000	30/06/18 S$'000
Non-current assets				
Property, plant and equipment	43,413	43,861	1	5
Intangible assets	5,685	5,580	3	1
Investment in subsidiaries	-	-	9,765	9,765
Investment in joint-venture and associate	46	28	-	-
Other investments	1,106	1,106	1,106	1,106
Other receivables	1,562	1,473	-	-
	51,812	**52,048**	**10,875**	**10,877**
Current assets				
Amount due from subsidiaries	-	-	32,293	30,633
Trade and other receivables	6,042	3,671	12	200
Inventories	85	88	-	-
Cash and cash equivalents	2,738	4,544	67	1,560
	8,865	**8,303**	**32,372**	**32,393**
Total assets	**60,677**	**60,351**	**43,247**	**43,270**
Non-current liabilities				
Loans and borrowings	19,949	18,280	-	-
Amount due to non-controlling interests	6,005	6,005	-	-
Deferred tax liability	1,037	1,037	-	-
	26,991	**25,322**	**-**	**-**
Current liabilities				
Amount due to subsidiaries	-	-	9,492	9,475
Loans and borrowings	1,172	1,080	-	-
Trade and other payables	2,635	2,372	1,256	999
	3,807	**3,452**	**10,748**	**10,474**
Total liabilities	**30,798**	**28,774**	**10,748**	**10,474**
Net assets	**29,879**	**31,577**	**32,499**	**32,796**
Equity				
Share capital	83,524	83,524	83,524	83,524
Reserves	(58,100)	(56,414)	(51,025)	(50,728)
Equity attributable to equity holders of the Company	**25,424**	**27,110**	**32,499**	**32,796**
Non-controlling interests	4,455	4,467	-	-
Total equity	**29,879**	**31,577**	**32,499**	**32,796**

1(b) (ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/12/18		As at 30/06/18	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
1,172	-	1,080	-

Amount repayable after one year

As at 31/12/18		As at 30/06/18	
Secured S$'000	**Unsecured S$'000**	**Secured S$'000**	**Unsecured S$'000**
19,949	-	18,280	-

Details of any collaterals

The Group's borrowings and debt securities are secured by: -

- A mortgage over a hotel property of a subsidiary with net carrying amount of S$13.1 million (FY2018: S$12.8 million);
- A mortgage over vessels of certain subsidiaries with net carrying amount of S$13.4 million (FY2018: S$13.0 million);
- Pledge of fixed deposit of S$0.2million (FY2018: S$0.2 million);
- Corporate guarantee by the Company;
- Corporate guarantee by non-controlling interests of certain subsidiaries; and
- Corporate guarantee by a related party of certain subsidiaries through common director.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period

Consolidated Statement of Cash Flows for the Half-Year Ended 31 December 2018

	Period from 01/07/18 to 31/12/18 S$'000	Period from 01/07/17 to 31/12/17 S$'000
Cash Flows From Operating Activities		
Loss before tax	(1,361)	(1,189)
Adjustments for:-		
Depreciation of property, plant and equipment	757	507
Amortisation of intangible assets	19	39
Interest expense	557	77
Interest income	(5)	(84)
Share of results of equity-accounted investees, net of tax	(18)	(26)
Unrealised foreign exchange gain	-	(7)
Operating cash flows before working capital changes	(51)	(683)
Change in working capital:-		
Inventories	3	(54)
Trade and other receivables	64	(3,048)
Trade and other payables	284	631
Cash generated from/(used in) operations	300	(3,154)
Interest paid	(557)	(77)
Net cash used in operating activities	**(257)**	**(3,231)**
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(965)	(266)
Acquisition of intangible assets	(124)	(42)
Non-trade amount due from an associate	(89)	(1,441)
Payment for renovation work-in-progress	(2,525)	-
Withdrawal of fixed deposits with tenor of more than 3 months placed with financial institutions	-	6,343
Interest received	5	84
Net cash (used in)/generated from investing activities	**(3,698)**	**4,678**
Cash Flows From Financing Activities		
Proceeds from loans and borrowings	2,704	600
Repayment of loans and borrowings	(540)	(3,140)
Net cash generated from/(used in) financing activities	**2,164**	**(2,540)**
Net decrease in cash and cash equivalents	**(1,791)**	**(1,093)**
Cash and cash equivalents at the beginning of the period	4,047	3,664
Effect of exchange rate changes on cash and cash equivalents	(15)	7
Cash and cash equivalents at the end of the period	**2,241**	**2,578**

Represented by:

Cash and cash equivalents at the end of period		
Fixed deposits	151	11,888
Cash and bank balances	2,587	2,578
	2,738	**14,466**
Less: Fixed deposits with tenor of more than 3 months placed with financial institutions	(346)	(11,737)
Less: Fixed deposits (pledged)	(151)	(151)
	2,241	**2,578**

1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity of (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Changes in Equity for the Half-Year Ended 31 December 2018

Group	Share Capital	Fair Value reserve	Other reserve	Accumula -ted Losses	Total attributable to the equity holders of the Company	Non-controlling Interests	Total
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance as at 1 July 2018	83,524	(60)	(2,059)	(54,295)	27,110	4,467	31,577
Loss for the period	-	-	-	(1,441)	(1,441)	80	(1,361)
Other comprehensive income							
Foreign currency translation differences	-	-	(245)	-	(245)	(92)	(337)
Total comprehensive loss for the period	-	-	(245)	(1,441)	(1,686)	(12)	(1,698)
Balance as at 31 December 2018	83,524	(60)	(2,304)	(55,736)	25,424	4,455	29,879

Consolidated Statement of Changes in Equity for the Half-Year Ended 31 December 2017

Group	Share Capital	Fair Value reserve	Other reserve	Accumula -ted Losses	Total attributable to the equity holders of the Company	Non-controlling Interests	Total
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance as at 1 July 2017	83,524	(99)	(2,059)	(51,129)	30,237	4,285	34,522
Loss for the period	-	-	-	(1,342)	(1,342)	153	(1,189)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,342)	(1,342)	153	(1,189)
Balance as at 31 December 2017	83,524	(99)	(2,059)	(52,471)	28,895	4,438	33,333

Company - Statement of Changes in Equity for the Half-Year Ended 31 December 2018

Company	Share Capital	Fair Value reserve	Accumulated Losses	Total
	S$'000	S$'000	S$'000	S$'000
Balance as at 1 July 2018	83,524	(60)	(50,668)	32,796
Loss for the period	-	-	(297)	(297)
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(297)	(297)
Balance as at 31 December 2018	83,524	(60)	(50,965)	32,499

Company - Statement of Changes in Equity for the Half-Year Ended 31 December 2017

Company	Share Capital	Fair Value reserve	Accumulated Losses	Total
	S$'000	S$'000	S$'000	S$'000
Balance as at 1 July 2017	83,524	(99)	(50,018)	33,407
Loss for the period	-	-	(414)	(414)
Other comprehensive income / (loss) for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(414)	(414)
Balance as at 31 December 2017	83,524	(99)	(50,432)	32,993

1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Group and Company

Issued and fully-paid

	Number of Shares	Paid-Share Capital S$'000
Balance as at 1 July 2018	2,651,689,122	83,524
Issuance of shares	-	-
Balance as at 31 December 2018	2,651,689,122	83,524

The Company does not have any outstanding convertibles, treasury shares and subsidiary holdings as at 31 December 2018 and 31 December 2017.

1(d) (iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	31/12/2018	30/06/2018
Total number of issued shares	2,651,689,122	2,651,689,122

The Company did not hold any treasury shares as at 31 December 2018 and 30 June 2018.

1(d) (iv) **A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable.

1(d) (v) **A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in note 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those applied for the audited annual financial statements as at 30 June 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group had adopted the Singapore Financial Standards (International) ("**SFRS(I)s**") including improvements to SFRS and interpretations of FRS ("**INT FRS**") that are mandatory for financial years beginning on or after 1 July 2018. The Group has also concurrently applied new accounting standards SFRS(I) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers*. The adoption of these standards has no material impact to the financial performance and financial position of the Group.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial period, after deducting any provision for preference dividends

	6 months ended	
	31/12/2018	**31/12/2017**
Basic and diluted		
Weighted average ordinary shares	2,651,689,122	2,651,689,122
Loss per share (cents):	(0.05)	(0.05)

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of at the end of the (a) current financial period reported on and (b) immediately preceding financial year

Net asset value per ordinary share based on issued share capital	**As at 31/12/2018**	**As at 30/06/2018**
For the Group (cents)	1.13	1.19
For the Company (cents)	1.23	1.24

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of Financial Performance

The Group reported revenue of S$2.2 million for the financial period ended 31 December 2018 ("1H2019") as compared to S$1.3 million for the financial period ended 31 December 2017 ("1H2018"), an increase of 68.2% or S$0.9 million. The increase was mainly due to higher revenue recorded by the hospitality division. Revenue from the vessel chartering segment in 1H2019 was consistent with the revenue earned in 1H2018 at S$0.9 million.

Cost of sales increased by 56.1% from S$0.5 million in 1H2018 to S$0.8 million in 1HY2019 mainly due to the inclusion of operation expenses incurred in Travelodge Central Market (formerly known as Geo Hotel), in which the Group has completed the acquisition in March 2018.

Following the higher revenue and cost of sales mentioned above, the gross profit increased by 76.6% or S$0.6 million in 1H2019.

Administrative expenses increased by 7.7% from S$2.0 million in 1HY2018 to S$2.2 million in 1HY2019. This was mainly due to the increase in staff costs and other operating expenses incurred by the Group's hospitality division as the Group is still undergoing expansion in its hospitality business in 1H2019. In addition to that, the inclusion of administrative expenses incurred in Travelodge Central Market contributed to the increase in 1H2019.

Finance income decreased by S$0.1 million, mainly due to lower interest income arising from the withdrawal of fixed deposits placed with financial institutions subsequent to 1H2018.

Finance costs increased by S$0.5 million, mainly due to higher borrowing costs from the drawdown of a bank loan for acquisition and renovation of Travelodge Central Market.

As a result of the above, the Group reported loss before tax of S$1.4 million in 1HY2019, compared to loss before tax of S$1.2 million in 1HY2018.

Review of Financial Position

Non-current assets
Non-current assets decreased by S$0.2 million, mainly due to depreciation charges of S$0.8 million and decrease in forex translation on Travelodge Central Market of S$0.7 million offset with acquisition of plant and equipment and intangible assets of S$1.0 million and S$0.1 million, respectively, during the period.

Current assets
Current assets increased by S$0.6 million, mainly due to increase in trade and other receivables of S$2.4 million offset against decrease in cash and cash equivalents of S$1.8 million. The payment for the renovation of Travelodge Central Market is included in trade and other receivables, and will be capitalised as property, plant and equipment upon completion of all outstanding renovation works.

Non-current liabilities
Non-current liabilities increased by S$1.7 million mainly due to drawdown of bank borrowings for renovation of Travelodge Central Market.

Current liabilities
Current liabilities increased by S$0.4 million mainly due to increase in trade and other payables during the period.

Equity
Overall, the Group's total equity decreased by S$1.7 million in 1HY2019 mainly arising from the operating loss of S$1.4 million and movement in foreign currency translation reserve of S$0.3 million incurred during the period.

Review of Cash Flows

The Group reported a net decrease in cash & cash equivalents mainly due to utilisation of cash used for renovation of the hotel property of the Group and repayment of bank loans.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No material variance between the actual result and prospect statement is noted.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The long-term strategy of the Group to expand its hotel business under the Travelodge brand under an asset light approach. To this end, in the last six months the Group has added three more Travelodge hotels to its portfolio, opening one in South Korea and two in Malaysia. Travelodge Bukit Bintang, Malaysia, commenced operations on 9 August 2018 and Travelodge Central Market, Malaysia, rebranded on 4 October 2018. Travelodge Dongdaemun Seoul, commenced operations on 1 December 2018.

Furthermore, the Group also secured two new hotel management agreements in Malaysia, of which Travelodge Georgetown, Penang opened on 1 January 2019, and Travelodge Ipoh is expected to be rebranded in the later part of 2019.

Additionally, the Group is continuing to work on various opportunities with third party hotel owners to expand the Travelodge brand in the region especially in Hong Kong, Singapore, Malaysia and South Korea.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b) (i) Amount per share ..... cents

None.

(ii) Previous corresponding period ..... cents

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended in view that the Company is still in a loss making position.

13. Aggregate value of interested person transactions conducted pursuant to shareholders' mandate for the half year ended 31 December 2018

The Group did not obtain a general mandate from shareholders for interested person transactions during the current period.

The aggregate values of all Interested Person Transactions ("IPTs") did not exceed S$100,000.

14. Use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purpose, a breakdown with specific details on how the proceeds have been applied must be disclosed

No proceeds raised from IPO and any offerings for the period under review.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

Pursuant to Rule 720(1) of the Catalist Rule, the Company has procured undertakings from all its directors and executive officers.

16. Confirmation by the Board of Directors ("The Board") pursuant to Rule 705(5) of the Catalist Rule [Negative confirmation pursuant to Rule 705(5)]

The Board of Directors has confirmed that to the best of its knowledge, nothing has come to its attention which may render the unaudited half year financial results of the Group to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Steven Ooi
Financial Controller

13 February 2019

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

The Company's 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 opinions made or reports contained in this announcement.

The contact person for the Sponsor is:-

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