ICP LTD.
Company Registration No. 196200234E
(Incorporated in Singapore)

PROPOSED CAPITAL REDUCTION TO REDUCE THE SHARE CAPITAL OF THE COMPANY

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1 INTRODUCTION

1.1 The Board of Directors (the "**Board**") of ICP Ltd. ("**Company**"), and together with its subsidiaries, "**Group**") wishes to announce that the Company is proposing to undertake a capital reduction exercise pursuant to Section 78A read with Section 78C of the Companies Act (Chapter 50) of Singapore ("**Companies Act**") 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$52,808,188.03 ("**Proposed Capital Reduction**").

1.2 The Company will be seeking approval from the shareholders of the Company ("**Shareholders**") for the Proposed Capital Reduction at an extraordinary general meeting of the Company to be convened ("**EGM**").

2 DETAILS OF THE PROPOSED CAPITAL REDUCTION

2.1 The Proposed Capital Reduction will be effected in the following manner:

(a) the cancellation of the Company's issued and fully paid up share capital as at the effective date of the Proposed Capital Reduction (such date to be announced by the Company on SGXNET) ("**Effective Date**") by the extent of the amount of the Accumulated Losses of the Company as at 30 June 2020 of S$52,808,188.03 ("**Accumulated Losses**"); and

(b) S$52,808,188.03 being the credit arising from the aforesaid cancellation of share capital, shall be applied to write off the Accumulated Losses.

2.2 As at the date of this announcement, the Company's issued and fully paid-up share capital is S$87,434,740.62 divided into 3,111,689,122 ordinary shares in the capital of the Company ("**Shares**").

2.3 The Accumulated Losses arose mainly from losses incurred and accumulated over the years, and the Proposed Capital Reduction will reduce the Company's Accumulated Losses by the cancellation of the share capital of the Company to the extent of S$52,808,188.03.

2.4 The Proposed Capital Reduction does not entail any outflow of cash or change in the net assets of the Company. **There will be no change in the total number of issued Shares in the Company held by the Shareholders immediately after the Proposed Capital Reduction nor will the Proposed Capital Reduction involve the payment to any Shareholder of any paid-up share capital of the Company**.

3 RATIONALE

The purpose of the Proposed Capital Reduction is to write off the Accumulated Losses with a view to restructuring the finances of the Company. This serves to rationalise the balance sheet of the Company for it to be accurately reflect the value of its underlying assets, and thus the financial position of the Company. In addition, the Proposed Capital Reduction will facilitate future equity-related fund raising exercises to recapitalise and strengthen the balance sheet of the Company. The Company would also be in a better position to retain profits and enhance its ability to pay future dividends, when appropriate, if the Accumulated Losses are written off. The Directors will take into consideration the present and future funding needs of the Company and the Group before declaring any dividends.

4 FINANCIAL EFFECTS OF THE PROPOSED CAPITAL REDUCTION

4.1 The Proposed Capital Reduction is an accounting procedure that reduces the Existing Share Capital of the Company to write off the Accumulated Losses. The Proposed Capital Reduction represents merely a change in the composition of reserves and does not entail any reduction or distribution of cash or other assets of the Company.

4.2 As there will be no changes to the number of issued Shares of the Company following the Proposed Capital Reduction, the Proposed Capital Reduction will not have any effect on the net tangible assets per Share, the earnings per Share, the return on equity to Shareholders and the gearing ratio of the Company and the Group.

5 CONDITIONS OF THE PROPOSED CAPITAL REDUCTION AND CREDITOR OBJECTIONS

5.1 The Proposed Capital Reduction is subject to, *inter alia*, the following:

(a) the approval of the Shareholders by way of special resolution at the EGM (the "**Capital Reduction Resolution**");

(b) compliance with the relevant publicity requirements as prescribed in the Companies Act;

(c) no application having been made for the cancellation of the Capital Reduction Resolution by any creditor of the Company within the timeframe prescribed in the Companies Act; and

(d) the Company after the end of six (6) weeks (but before the end of eight (8) weeks) beginning with the date of the Capital Reduction Resolution, lodge the following documents with the Registrar of Companies ("**Registrar**"):

(i) a statement made by the Directors confirming that the requirements under Section 78C(1)(c) of the Companies Act have been complied with, and that no application for cancellation of the resolution has been made; and

(ii) a notice containing information in relation to the Proposed Capital Reduction specified under the Companies Act.

5.2 In the event that during the six (6) weeks beginning with the Capital Reduction Resolution date, one (1) or more applications for the cancellation of the Capital Reduction Resolution has been made under Section 78D(2) of the Companies Act, for the Proposed Capital Reduction to take effect, the following conditions must be satisfied:

(a) the Company must give the Registrar notice of the application(s) for the cancellation of the Capital Reduction Resolution as soon as possible after such application(s) have been served on the Company by the creditor(s);

(b) the proceedings in relation to each application for the cancellation of the Capital Reduction Resolution must be brought to an end by either (i) the dismissal of the application under Section 78F of the Companies Act; or (ii) without determination (for example, because the application has been withdrawn); and

(c) the Company must, within 15 days beginning with the date on which the last such proceeding was brought to an end in accordance with paragraph (b) above, lodge with the Registrar:

(i) a statement made by the Directors confirming that the requirements under Section 78C(1)(c) and Section 78D(4) of the Companies Act have been complied with, and that the proceedings in relation to each such application have been brought to an end by the dismissal of the application or without determination;

(ii) in relation to each such application which has been dismissed by the Court, a copy of the order of the Court dismissing the application; and

(iii) a notice containing information in relation to the Proposed Capital Reduction specified under the Companies Act.

6 INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Capital Reduction, other than their respective directorship and/or shareholdings in the Company.

7 CIRCULAR

The circular which will contain, *inter alia*, the notice of EGM, the details of the Proposed Capital Reduction, the amount of the Accumulated Losses and the extent by which the share capital of the Company will be cancelled, will be circulated to the Shareholders in due course.

8 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Subscription, the Company and its subsidiaries, and the Directors of the Company are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors of the Company has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

9. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. The Proposed Capital Reduction is subject to certain conditions and as at the date of this announcement, there is no certainty or assurance that the Proposed Capital Reduction will be completed. The Company will make the necessary announcements when there are further developments. 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, bank managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Ong Min'er
Financial Controller
7 September 2020

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 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.

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