

ACQUISITION OF INTEREST IN PROPERTY IN JAPAN

1. INTRODUCTION

The Board of Directors (the “**Board**”) of ICP Ltd. (the “**Company**”, together with its subsidiaries, collectively the “**Group**”), wishes to announce that the Group has entered into the following agreements in connection with the proposed acquisition of an effective interest of 5% in a hotel property (“**Property**”) located in Osaka, Japan (the “**Proposed Acquisition**”):

- (i) MHI SG 1 Pte. Ltd. (“**MHI**”), a wholly owned subsidiary of the Group, has entered into a shareholders’ agreement (the “**SHA**”) on 16 January 2025, pursuant to which the Group will have an effective interest in 5% of TLJ SG Holdings I Pte. Ltd. (the “**SG HoldCo**”). The remaining effective interest of 95% is held by TLJ SG Master Holdings Pte. Ltd. (the “**Other Shareholder**”). The SHA will govern the relationship between MHI and the Other Shareholder in their respective capacities as shareholders of SG HoldCo; and
- (ii) MHI, a wholly owned subsidiary of the Group, has entered into an amended and restated exempted limited partnership agreement (the “**LPA**”) on 16 January 2025, pursuant to which the Group will have a limited partnership interest of 5% in TLJ Master Holding LP (the “**Cayman Partnership**”), which is an exempted limited partnership formed under the laws of the Cayman Islands. The remaining limited partnership interest of 95% is held by TLJ Holding Limited (the “**Other Limited Partner**”). The LPA will govern the relationship between MHI and the Other Limited Partner in their respective capacities as limited partners of the Cayman Partnership.

2. INFORMATION ON THE PROPERTY AND THE RELEVANT PARTIES

(i) The Property

The Property is a 13-storey building located at 2 Chome 4-10, Chuo Ward, Osaka, 542-0081, Japan. It has a land area of approximately 1072.78 square metres and a gross floor area of approximately 8057.26 square metres.

(ii) SG HoldCo

SG HoldCo is a private limited company incorporated in Singapore for the purposes of acquiring and operating the Property. As at the date hereof, SG HoldCo has an issued and paid-up capital of JPY157.00 (approximately S\$1.36¹).

¹ Unless otherwise indicated in this announcement, all conversions from Japanese Yen (“**JPY**”) into Singapore Dollars (“**S\$**”) in this announcement are based on an indicative exchange rate of S\$1.00 : JPY115.27 as at 15 January 2025.

(iii) Cayman Partnership

The Cayman Partnership is an exempted limited partnership formed under the laws of the Cayman Islands.

(iv) Vendor

The beneficial interests in the Property are currently held by a real estate investment trust company in Japan (the “**Vendor**”), which is an independent third party unrelated to any of the directors and controlling shareholders of the Group.

(v) The Other Investor

The Other Shareholder and the Other Limited Partner are affiliates of a global alternative asset management firm (the “**Other Investor**”) that is an independent third party unrelated to any of the directors and controlling shareholders of the Group.

(vi) Holding Entities

It is intended that the beneficial interests in the Property will be acquired from the Vendor by TLJ Shinsaibashi TMK, a company incorporated in Japan (the “**TMK**”). The TMK will acquire and own trust beneficial interests in a trust which holds the Property. The shares in the TMK will be effectively held by SG HoldCo and the Cayman Partnership.

3. DETAILS OF THE PROPOSED ACQUISITION

(i) Purchase Consideration and Valuation

The aggregate consideration payable by the Group for the acquisition of an effective interest of 5% in the Property upon the completion of the SHA and the LPA is JPY387.50 million (approximately S\$3.36 million) (the “**Consideration**”). The Consideration was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuation undertaken on the Property (the “**Independent Property Valuation**”) by Land Coordinating Research Inc. (the “**Independent Property Valuer**”).

The Independent Property Valuation as at 29 August 2024 (the “**Independent Valuation Report**”), valued the Property at JPY 12.20 billion (approximately S\$105.84 million), based on income capitalisation and cost approaches. The cost to be incurred by the Group takes into account the estimated professional fees and transaction costs of S\$0.2 million in connection with the Proposed Acquisition.

(ii) Salient Terms of the SHA and the LPA

The SHA and the LPA (the “**Constitutional Documents**”) govern the affairs and sets out the respective rights of the Group and the Other Investor as shareholders in SG HoldCo and limited partners in the Cayman Partnership respectively. The Constitutional Documents are subject to conditions precedent including the reasonable certainty of the acquisition by the TMK of the beneficial interests in the Property.

The Constitutional Documents contain customary clauses that govern the relationship between majority and minority shareholders, including the composition of the board of directors, reserved matters and termination. MHI will be entitled to a board seat and reserved matters shall require approval of both MHI and Other Investor. The Constitutional Documents may be terminated by mutual written agreement, or if either party acquires all outstanding shares of the other party.

4. **RATIONALE FOR AND BENEFITS OF THE PROPOSED ACQUISITION**

(i) Prominent location with convenient accessibility

The Property is well-located in the vibrant heart of Osaka, providing easy access to popular attractions like Shinsaibashi-Suji Shopping Street, Dotonbori, and Osaka Castle. The building is located approximately 1-minute walk from the nearest station, Nagahoribashi Subway Station, and is also accessible from two other train stations.

(ii) Expansion of Travelodge brand presence in Japan

It is intended that Travelodge Hotels (Asia) Pte. Ltd. (“**TLA**”) will be appointed as the operator of the Property. The Proposed Acquisition will strengthen TLA's footprint in Japan, and complement the Group's five (5) other existing hotels in Japan.

5. **SOURCE OF FUNDS**

The Consideration payable by the Company is intended to be funded by internal resources and bank borrowings.

6. **FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION**

(i) Assumptions

The *pro forma* financial effects of the Proposed Acquisition presented in this section are **strictly for illustrative purposes only** and do not reflect the actual financial performance or position of the Group after the completion of the Proposed Acquisition.

The *pro forma* financial effects have been prepared based on the latest announced audited consolidated financial statements of the Group for the financial year ended 30 June 2024 (“FY2024”) taking into account the following assumptions:

- (a) the pro forma financial effects of the Proposed Acquisition are in proportion to the Group’s 5% interest upon completion; and
- (b) the illustrative exchange rate of S\$1.00 : JPY115.27 as at 15 January 2025.

(ii) Pro Forma NTA

FOR ILLUSTRATION PURPOSES ONLY: The table illustrating the financial effects of the Proposed Acquisition on the net tangible assets² (“NTA”) per share for the Company (assuming the Proposed Acquisition had been completed at the end of FY2024) based on the latest audited financial statements of the Company for FY2024 are set out below:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S\$’000)	21,533	21,533
Number of shares (’000)	3,332,944	3,332,944
NTA per share (S\$ cents)	0.65	0.65

(iii) Pro Forma EPS

FOR ILLUSTRATION PURPOSES ONLY: The table illustrating the financial effects of the Proposed Acquisition on the earnings per share (“EPS”) of the Company (assuming that the Proposed Acquisition had been completed at the beginning of FY2024) based on the latest announced audited financial statements of the Company for FY2024 are set out below:

	Before the Proposed Acquisition	After the Proposed Acquisition
Net loss attributable to equity holders of the Company (S\$’000)	(1,507)	(1,507)
Weighted average number of ordinary shares (’000)	3,332,944	3,332,944
Loss per share (S\$ cents)	(0.05)	(0.05)

² Net tangible assets mean total assets less total liabilities less intangible assets.

7. RELATIVE FIGURES UNDER RULE 1006 OF THE SGX-ST CATALIST RULES

The relative figures in relation to the Proposed Acquisition pursuant to Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Section B: Rules of Catalist (“**Catalist Rules**”), using the latest audited consolidated accounts of the Group as at 30 June 2024 and computed figures based on the Group’s 5% interest in the Proposed Acquisition, are as follows:

Rule 1006 Bases	Relative Figures
(a) The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable, as the Proposed Acquisition is an acquisition of assets.
(b) The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.	(10.29) ³
(c) The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares ⁴ excluding treasury shares.	14.37% ⁵
(d) The 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, as no equity securities will be issued as consideration for the Proposed Acquisition.
(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, as the Company is not a mineral, oil or gas company.

Rule 1007(1) of the Catalist Rules states, inter alia, that if any of the relative figures computed pursuant to Rule 1006 of the Catalist Rules involves a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10A of the Catalist Rules (“Practice Note 10A”).

As the relative figures computed in Rule 1006(b) involve negative figures (as the Company is loss-making), pursuant to paragraph 4.4(b) of Practice Note 10A, the Proposed Acquisition would be considered a disclosable transaction and shareholders’ approval for the Proposed Acquisition is not required.

³ 5% (being the Group’s interest in the Proposed Acquisition) of the net profits attributable to the Hotel are determined based on the unaudited net property income of the Property of approximately S\$141,374 for the 12-month period from 1 July 2023 to 30 June 2024.

⁴ Based on the existing number of issued and paid-up Shares of 3,342,086,706 as at the date of this announcement.

⁵ Market capitalisation is calculated by the number of ordinary shares in the capital of the Company (excluding treasury shares) multiplied by the volume weighted average price of S\$0.007 per share as at 15 January 2025, being the full market day immediately preceding the date of this announcement.

8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

To the knowledge of the Company, none of the Company's Directors and controlling shareholders (other than in their respective capacities as a Director and/or shareholder of the Company) has any interest, direct or indirect, in the Proposed Acquisition.

9. DIRECTORS' SERVICE CONTRACTS

No person will be appointed to the Board in connection with the Proposed Acquisition and accordingly, no service contracts in relation thereto will be entered into by the Company.

10. CAUTIONARY STATEMENT

Shareholders are advised to exercise caution in dealing in the Company's shares, and to read this announcement and any further update announcement(s) released by the Company carefully. As at the date of this announcement, Shareholders should be cautioned that there is no certainty or assurance that the Proposed Acquisition will be completed. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 6 Temasek Boulevard #23-01 Suntec Tower Four Singapore 038986 for a period of three (3) months commencing from the date of this announcement:

- (i) SHA;
- (ii) LPA; and
- (iii) Independent Valuation Report.

By Order of the Board

Ong Min'er
Financial Controller
16 January 2025

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange 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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