ICP LTD.
UEN: 196200234E
(Incorporated in Singapore)

ENTRY INTO SALE AND PURCHASE AGREEMENTS RELATING TO THE PROPOSED ACQUISITION OF MINORITY INTERESTS IN MHI MY 1 PTE. LTD.

1. INTRODUCTION

1.1. The Board of Directors (the "**Board**") of ICP Ltd. (the "**Company**"', and together with its subsidiaries, the "**Group**") wishes to announce that its wholly-owned subsidiary, Midscale Hotel Investments Pte. Ltd. (the "**Purchaser**"), has on 7 March 2023 entered into sale and purchase agreements ("**SPAs**") with Mr Choong Chee Peng Bert and Mr Ho Peng Cheong (each, a "**Vendor**"), under which the Purchaser will acquire an aggregate of 2,000,174 ordinary shares representing approximately 11.6% ("**Target Shares**") in MHI MY 1 Pte. Ltd. (the "**Target Subsidiary**") for an aggregate consideration of S$1,991,297 (the "**Proposed Acquisition**").

1.2. At completion of the Proposed Acquisition, the aggregate consideration of S$1,991,297 ("**Consideration**") to both Vendors will be satisfied by the issuance of 221,255,204 ordinary shares in the Company ("**Shares**") to both Vendors ("**Consideration Shares**") based on an issue price of S$0.009 per Consideration Share ("**Issue Price**") as follows:

Name of Vendor	Consideration	Number of Consideration Shares	Number of Consideration Shares as a percentage of the existing number of Shares(1)	Number of Consideration Shares as a percentage of the total enlarged number of Shares (2)
Choong Chee Peng Bert	S$995,648	110,627,602	3.56%	3.32%
Ho Peng Cheong	S$995,648	110,627,602	3.56%	3.32%
Total	S$1,991,297(3)	221,255,204	7.11%(3)	6.64%

Notes:

(1) Based on the number of Consideration Shares divided by the existing number of issued and paid-up Shares of 3,111,689,122 Shares as at the date of this announcement (adjusted for rounding).

(2) Based on the number of Consideration Shares divided by the total enlarged number of issued and paid-up Shares of 3,332,944,326, assuming the completion of the SPA and issuance of the aggregate Consideration Shares amounting to 221,255,204 Consideration Shares as set out in this announcement.

(3) Numbers may not add up due to rounding.

2. INFORMATION ON THE TARGET SUBSIDIARY AND THE VENDORS

2.1. The Target Subsidiary

The Target Subsidiary was incorporated as a joint venture company. The Group currently has an effective interest of approximately 73.3% in the shares of the Target

Subsidiary, held through the Purchaser. The directors of the Target Subsidiary are Aw Ming-Yao Marcus and Ong Kok Wah. As at the date of this announcement, the Target Subsidiary has an issued and paid-up share capital of S$17,242,879 comprising 17,242,879 ordinary shares, with its shareholding as follows:-

Name	**No. of shares**	**% (rounded)**
The Purchaser	12,644,203	73.3
Aw Cheok Huat (1)	1,598,415	9.3
Ong Kok Wah (2)	1,000,087	5.8
Choong Chee Peng, Bert (being a Vendor)	1,000,087	5.8
Ho Peng Cheong (being a Vendor)	1,000,087	5.8
Total	**17,242,879**	**100.0**

Notes:

(1) Aw Cheok Huat is a controlling shareholder of the Company.

(2) Ong Kok Wah, who is the director and shareholder of the Company, is also the director and shareholder of the Target Subsidiary.

The Target Subsidiary is in the business of hotel investment. The Target Subsidiary, through a wholly owned Malaysian subsidiary, owns 100% of the interest in a commercial freehold land and a 10-storey building erected thereon, operating as Travelodge City Centre, Kuala Lumpur (the "**Hotel**").

Upon the completion of the Proposed Acquisition, the Group will have an effective interest of approximately 84.9% in the shares of the Target Subsidiary. The Group did not appoint any third-party and no commission or introduction fee is payable by the Group in relation to the Proposed Acquisition.

2.2. **The Vendors**

Mr Choong Chee Peng Bert was the founder and formerly the Group Executive Chairman of Singapore-listed Nobel Design Holdings Ltd. He is currently a private investor and Presidential Advisor of the Singapore Furniture Industries Council.

Mr Ho Peng Cheong ("Mr Ho") was the founder and Group Chief Executive Officer of Windmill International Pte Ltd, an industrial bulk commodities trading company, and AEC Education PLC, an UK AIM-listed Company. A seasoned entrepreneur, Mr Ho is currently a private investor. Mr Ho currently holds 0.43% of shares in the Company.

The Vendors are existing shareholders of the Target Subsidiary. Each of the Vendors have expressed his respective interest to invest in the Company using the total proceeds on the sale of their respective interests in the Target Subsidiary, to demonstrate his continued faith in the growth and prospects of the Company. As this is of benefit to the Company, the Board has accordingly approved the Proposed Acquisition and the issuance of the Consideration Shares to the Vendors. The Vendors have confirmed that each of them will be holding the Consideration Shares as part of their individual investment portfolio, and not on trust or as a nominee.

Save for their respective shareholdings in the Target Subsidiary, the Vendors do not have any connection, including business relationship, with the Company or any of the Company's substantial shareholders.

At completion of the Proposed Acquisition, the shareholdings of the Vendors in the Company are as follows:

Vendor	**Existing Shareholding as at the date of this announcement** (1)			**Post-Completion of the Proposed Acquisition Shareholding** (2)		
	Direct	Deemed	Total	Direct	Deemed	Total
Mr Choong Chee Peng, Bert	-	-	-	3.32%	-	3.32%
Mr Ho Peng Cheong	0.43%	-	0.43%	3.72%	-	3.72%

Notes:

(1) Based on the existing number of issued and paid-up Shares of 3,111,689,122 Shares as at the date of this announcement.

(2) Based on the total enlarged number of paid-up Shares of 3,332,944,326 Shares, assuming (a) the completion of the Proposed Acquisition; and (b) the allotment and issue of 221,255,204 Consideration Shares.

3. RATIONALE FOR THE PROPOSED ACQUISITION

Two of the minority shareholders in the Target Subsidiary have approached the Company with a view of selling down their stakes. After due consideration, the Company is of the view that increasing the stake in the Hotel is in line with the Group's strategy of expanding its hotel investment as part of the wider hospitality business of the Group which has the potential for growth to the benefit of the Company and its shareholders. The Proposed Acquisition will have no cash flow impact on the Company and will enable the Group to increase its interest in the Hotel which is a freehold property located in close proximity to various tourist attractions with connectivity to the business district in Kuala Lumpur, one of the gateway cities in Asia.

4. PRINCIPAL TERMS OF THE SPAS

The principal terms under each SPA relating to the Proposed Acquisition include the following terms:-

4.1. Consideration

The Consideration payable by the Company to both Vendors is S$1,991,297 (wherein the consideration to each Vendor under the SPAs is S$995,648), which was arrived at an arm's length basis between each Vendor and the Company, taking into account (i) the net asset value of the Target Subsidiary adjusted for the independent valuation of the Hotel at 3% discount; and (ii) the loans to the Target Subsidiary of an aggregate amount of S$800,000 from the Vendors. The independent valuation of the Hotel was

done by Knight Frank Malaysia Sdn Bhd. The independent valuation report as at 30 January 2023 values the Hotel at RM106.3 million (approximately S$32.0 million[1]), based on income approach by discounted cashflow method and comparison approach.

Upon the receipt of the Consideration Shares by the Vendors, (i) each Vendor shall fully discharge and waive all claims in respect of the Vendor shareholder loans against the Target Subsidiary or the Purchaser; and (ii) the Purchaser shall assume all rights and replace the Vendors as the lender in respect of the Vendor shareholder loans.

4.2. **Completion Date**

Under the SPAs, the completion of the Proposed Acquisition ("**Completion**") will fall on the date falling five (5) business days after the fulfilment of all the conditions precedent, or such other date as may be agreed between the parties (the "**Completion Date**").

In the event that any of the conditions precedent to Completion are not fulfilled by the date falling six (6) months from the date of the SPAs or any such other date as the respective parties may agree, the relevant SPA shall lapse and terminate and neither party shall have any claim against the other under the SPA, save in respect of any antecedent breach of the relevant SPA.

4.3. **Condition Precedents to Completion**

Completion shall be subject to the satisfaction of the following condition precedents:

a. the warranties provided by the parties being true, complete and accurate in all respects as at the Completion Date;

b. the Purchaser and the Company obtaining all corporate approval(s) as may be necessary for the transactions contemplated herein, including but not limited to the purchase of the Target Shares and the issue and allotment of the Consideration Shares, and such approval(s) remaining valid and in full force and effect and not having been withdrawn or revoked as at the Completion Date;

c. the Company having obtained approval-in-principle from the Singapore Exchange Securities Trading Limited ("SGX-ST") for the listing and quotation of the Consideration Shares on the SGX-ST and such approval being in full force and effect as at Completion, and where such approval is subject to conditions, (a) such conditions being reasonably acceptable to the relevant parties and (b) if such conditions are required to be fulfilled on or before Completion, such conditions having been fulfilled on or before such date; and

d. the allotment, issue and subscription of the Consideration Shares and all the transactions contemplated by this Agreement not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of this Agreement by any legislative, executive or regulatory body or authority (including,

[1] Based on an exchange rate of MYR3.32: S$1.00 as at 6 March 2023. Unless otherwise indicated in this announcement, all conversions from Malaysian Ringgit ("MYR") into Singapore Dollars ("S$") in this announcement are based on an indicative exchange rate of MYR3.32: S$1.00.

without limitation, the Monetary Authority of Singapore and the SGX-ST).

4.4. **Moratorium on Consideration Shares**

Under the SPAs, each Vendor has undertaken for a period of six (6) months from the Completion Date not to:

a. sell, contract to sell, offer, realise, transfer, assign, pledge, grant any option or right to purchase, sell any option or contract to purchase, purchase any option or contract to sell, grant any security over, encumber (such as by way of mortgage, assignment of rights, charge, pre-emption rights, rights of first refusal or otherwise) or otherwise transfer or dispose of any or all of the Consideration Shares whether such transaction is settled by delivery of such Consideration Shares, in cash or otherwise;

b. enter into any agreement or arrangement (including any swap, hedge or derivative transaction) that will directly or indirectly constitute or will be deemed as a disposal of or transfer (in whole or in part) of any or all of the Consideration Shares, whether such transaction is settled by delivery of such Consideration Shares, in cash or otherwise;

c. deposit any or all of the Consideration Shares in any depository receipt facilities, whether any such transaction described above is to be settled by the delivery of Consideration Shares, in cash or otherwise;

d. enter into any transaction which is designed or which may reasonably be expected to result in or have the same effect (economic or otherwise) as (in whole or in part) any of the above; or

e. offer or agree to make any announcement with respect to any of the foregoing transactions or publicly disclose any intention to do any of the above.

5. CONSIDERATION SHARES

The Consideration Shares will be issued pursuant to the general mandate approved by the shareholders at the Annual General Meeting of the Company held on 28 October 2022 (the "**2022 Share Issue Mandate**").

The 2022 Share Issue Mandate authorises the Board to allot and issue new shares of not more than 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the 2022 Share Issue Mandate (being 3,111,689,122 Shares), of which the aggregate number of Shares to be issued other than on a pro rata basis to existing shareholders shall not be more than 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of the 2022 Share Issue Mandate (being 1,555,844,561 Shares).

No Shares were previously issued under the 2022 Share Issue Mandate prior to the date of the SPAs till the date of this announcement. As such, the total number of Shares

that may be issued pursuant to the 2022 Share Issue Mandate is 3,111,689,122 Shares, of which the number of shares to be issued other than on a pro rata basis is 1,555,844,561 Shares.

221,255,204 ordinary Shares will be issued and allotted as Consideration Shares. Accordingly, the proposed issuance and allotment of the Consideration Shares will be within the limits of the 2022 Share Issue Mandate (being 3,111,689,122 shares), and specific shareholder approval from shareholders for the issuance and allotment of the Consideration Shares is therefore not required. The Consideration Shares will not be placed to any of the persons set out as restricted persons under Rule 812 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). The Consideration Shares will not be issued to transfer a controlling interest in the Company pursuant to Catalist Rule 803. No share borrowing arrangement has been entered into to facilitate the Proposed Acquisition.

The aggregate Consideration Shares of 221,255,204 will represent approximately 7.11% (rounded up to the nearest whole Share) of the Company's existing number of issued and paid-up Shares of 3,111,689,122 Shares as at the date of this announcement. Upon completion of the SPAs and assuming there is no other change to the number of Shares of the Company, the total number of issued and paid-up Shares will increase to 3,332,944,326 Shares and the aggregate Consideration Shares will represent approximately 6.64% of the total enlarged number of Shares in the Company immediately after the completion of the Proposed Acquisition (assuming no adjustments to the Consideration under the SPAs). The Company will make the necessary announcement should there be adjustment to the Consideration and the Consideration Shares.

Issue Price

The Issue Price of S$0.009 (fractional entitlements to be disregarded) is the same as the volume weighted average price of S$0.009 for trades done on the Company's shares on 6 March 2023, being the last full market day on which the Company's Shares were traded immediately prior to the date the SPAs are signed, was arrived at after arm's length negotiations between the Vendors after taking into consideration, *inter alia*, the prevailing share price of the Company at the date of entry into the SPAs relating to the Proposed Acquisition. The allotment and issue of Consideration Shares would help in conserving cash for the Group for working capital purposes and for future acquisition opportunities and further align the interests of the Group and Company moving forward.

The Consideration Shares when issued and fully paid, shall be unencumbered and free from any security interests, charges, claims (including pre-emptive rights) or liens and will be freely transferable, and shall rank pari passu with and shall carry all rights similar to the existing ordinary Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of Completion.

The Company will be applying to the SGX-ST for in-principle approval for the listing and quotation of the Consideration Shares on Catalist of the SGX-ST in due course. The Company will make the necessary announcements once in-principle approval for the

listing and quotation of the Consideration Shares have been obtained from the SGX-ST.

6. FINANCIAL INFORMATION

6.1. Net Tangible Asset and Book Value of the Target Shares

Based on the latest audited financial statements for financial year ended 30 June 2022, the net tangible asset value represented by the Target Shares is S$1,738,306, and the book value of the Target Shares is S$1,738,306.

6.2. Net Loss Attributable to the Target Shares

Based on the latest audited financial statements for financial year ended 30 June 2022, the net loss attributable to the Target Shares is S$169,093.

6.3. Financial Effects

The financial effects of the Proposed Acquisition on the Company as set out below are prepared based on the audited financial statements of the Group for the financial year ended 30 June 2022.

The financial effects below are purely **for illustrative purposes only** and do not reflect the actual financial performance or position of the Company after Completion.

Share Capital

The effects of Completion on the share capital of the Company, based on the share capital of the Company as at the date of this announcement, are as follows:-

	Before Completion	**After Completion**
Issued and paid-up share capital	34,626,553	36,617,850
Number of shares (‘000)	3,111,689	3,332,944

Earnings Per Share

Assuming that Proposed Acquisition is completed on 1 July 2021, the effect on the Company's earnings per share for the financial year ended 30 June 2022 would be as follows:

	Before Completion	**After Completion**
Net loss attributable to equity holders of the Company (S$’000)	(1,230)	(1,399)
Weighted average number of ordinary shares (‘000)	3,111,689	3,332,944
Loss per share (cents)	(0.04)	(0.04)

NTA

Assuming that the Proposed Acquisition is completed on 30 June 2022, the effect on the Company's net tangible assets [(1)] ("**NTA**") per share as at 30 June 2022 would have been as follows:

	Before Completion	**After Completion**
NTA (S$'000)	17,623	19,361
Number of shares ('000)	3,111,689	3,332,944
NTA per share (cents)	0.57	0.58

Note:
(1) NTA refers to total assets less total liabilities less intangible assets.

7. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

Based on the latest announced unaudited consolidated accounts of the Group for the six months financial period ended 31 December 2022 ("**1HFY2023**"), the relative figures of the Proposed Acquisition computed on the bases set out in Catalist Rule 1006 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 loss attributable to the assets acquired or disposed of, compared with the group's net profit.	(5.56) [(1)]
(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 excluding treasury shares.	8.39 [(2)]
(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.	7.11 [(3)]
(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.

Notes:

(1) Based on the unaudited loss before income tax and non-controlling interests of the assets to be acquired, being (5.56%), which amounted to approximately S$63,557.68 and the Group's unaudited profit before income tax and non-controlling interests of $1,143,000 for 1HFY2023.

(2) Pursuant to Rule 1003(3) of the Catalist Rules, where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market

value of such shares or the net asset value ("NAV") represented by such shares, whichever is higher. In this case, (a) the Consideration is S$1,991,297; (b) the market value of 221,255,204 Consideration shares is S$1,991,297 based on VWAP of 0.009 on 6 March 2023, being the last traded market day immediately preceding the date the SPAs were entered into on which the Shares were traded; and (c) the NAV represented by such shares of the Group is S$2,350,929 as at 30 June 2022. Based on the above, the relative figure has been computed based on S$2,350,929, being the highest of (a) to (c). The Company's market capitalisation of S$28,005,202 based on the Company's issued ordinary share capital (excluding treasury shares and subsidiary holdings) of 3,111,689,122 Shares and the weighted average price of the Shares of S$0.009 on 6 March 2023, being the last traded market day immediately preceding the date the SPAs were entered into on which the Shares were traded.

(3) Based on the aggregate 221,255,204 Consideration Shares and the Company's existing number of issued Shares of 3,111,689,122 Shares as at date of this announcement (adjusted for rounding).

As set out in Rule 1010 of the Catalist Rules, where any of the relative figures computed on the bases set out above exceeds 5% but does not exceed 75%, the transaction will be regarded as a disclosable transaction. Although the relative figures computed in Rule 1006(b) involve negative figures (as the Proposed Acquisition involves the acquisition of a loss-making asset by the Company), pursuant to paragraph 4.4(a) of Practice Note 10A of the Catalist Rules, the Proposed Acquisition would be considered a disclosable transaction and shareholders' approval for the Proposed Acquisition is not required.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement and to the best knowledge of the Company, none of the directors or controlling shareholders of the Company has any interest, direct or indirect (including business relationship), in the Proposed Acquisition, other than through their respective directorships and shareholdings in the Company.

9. PROPOSED DIRECTORS

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. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 10 Anson Road #28-16, International Plaza, Singapore 079903 for a period of three (3) months commencing from the date of this announcement:

(a) SPAs
(b) Independent valuation report

11. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares and should consult

their stock brokers, bank managers, solicitors 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 March 2023

Important Notice

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of average daily room rates and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Company's current view of future events.

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 Singapore Exchange Securities Trading Limited (the "SGX-ST").

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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