

ICP LTD

(Company Registration No. 196200234E)

Unaudited Financial Statements
For the Six Months and Full Year Ended 30 June 2022

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A. Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Six Months and Full Year Ended 30 June 2022

	Note	Group					
		Unaudited 6 Months Ended 30/06/2022 S\$'000	Unaudited 6 Months Ended 30/06/2021 S\$'000	Change %	Unaudited 12 Months Ended 30/06/2022 S\$'000	Audited 12 Months Ended 30/06/2021 S\$'000	Change %
Revenue	4	2,558	2,062	24.1%	5,121	4,370	17.2%
Cost of sales		(768)	(812)	-5.4%	(1,588)	(1,636)	-2.9%
Gross profit		1,790	1,250	43.2%	3,533	2,734	29.2%
Other income		88	186	-52.7%	145	240	-39.6%
Administrative expenses		(2,123)	(1,350)	57.3%	(3,788)	(3,007)	26.0%
Results from operating activities		(245)	86	N.M.	(110)	(33)	N.M.
Finance income		7	6	16.7%	14	15	-6.7%
Finance costs		(440)	(474)	-7.2%	(891)	(905)	-1.5%
Net finance costs		(433)	(468)	-7.5%	(877)	(890)	-1.5%
Other losses		(312)	(132)	N.M.	(359)	(138)	N.M.
Share of results of equity-accounted investees, net of tax		(1)	(2)	-50.0%	2	20	-90.0%
Loss before tax	5	(991)	(516)	92.1%	(1,344)	(1,041)	29.1%
Tax expenses		(75)	(78)	-3.8%	(75)	(78)	-3.8%
Loss for the year		(1,066)	(594)	79.5%	(1,419)	(1,119)	26.8%
Loss for the year attributable to:							
Owners of the Company		(925)	(500)	85.0%	(1,230)	(920)	33.7%
Non-controlling interests		(141)	(94)	50.0%	(189)	(199)	-5.0%
Loss for the year		(1,066)	(594)	79.5%	(1,419)	(1,119)	26.8%
Other comprehensive income:							
Foreign currency translation differences		(424)	(159)	N.M.	(438)	(82)	N.M.
Other comprehensive loss, net of tax		(424)	(159)	N.M.	(438)	(82)	N.M.
Total comprehensive loss for the year		(1,490)	(753)	97.9%	(1,857)	(1,201)	54.6%
Total comprehensive loss attributable to:							
Owners of the Company		(1,238)	(600)	N.M.	(1,558)	(939)	65.9%
Non-controlling interests		(252)	(153)	64.7%	(299)	(262)	14.1%
		(1,490)	(753)	97.9%	(1,857)	(1,201)	54.6%

N.M. – Not Meaningful

B. Statements of Financial Position as at 30 June 2022

	Note	Group		Company	
		Unaudited 30/06/22 S\$'000	Audited 30/06/21 S\$'000	Unaudited 30/06/22 S\$'000	Audited 30/06/21 S\$'000
Non-current assets					
Property, plant and equipment	8	42,529	45,329	3	4
Intangible assets	9	7,219	6,558	-	-
Investment in subsidiaries		-	-	8,300	8,300
Associate and joint venture		20	25	-	-
Other investments		380	639	380	639
Other receivables		1,679	1,653	18,323	18,323
Right-of-use assets		143	128	-	-
		51,970	54,332	27,006	27,266
Current assets					
Trade and other receivables		1,721	1,648	8,069	7,702
Inventories		6	75	-	-
Cash and cash equivalents		6,877	8,269	3,623	5,138
		8,604	9,992	11,692	12,840
Total assets		60,574	64,324	38,698	40,106
Non-current liabilities					
Loans and borrowings	11	5,977	23,180	3,110	4,265
Amount due to non-controlling interests		269	800	-	-
Deferred tax liability		1,276	1,269	-	-
Lease liabilities		-	-	-	-
		7,522	25,249	3,110	4,265
Current liabilities					
Loans and borrowings	11	16,829	1,096	1,260	735
Amount due to non-controlling interests		1,312	1,152	-	700
Trade and other payables		1,637	1,768	2,435	907
Lease liabilities		143	139	-	-
Income tax payable		68	-	-	-
		19,989	4,155	3,695	2,342
Total liabilities		27,511	29,404	6,805	6,607
Net assets		33,063	34,920	31,893	33,499
Equity					
Share capital	10	34,626	34,626	34,626	34,626
Reserves		(9,784)	(8,226)	(2,733)	(1,127)
Equity attributable to equity holders of the Company		24,842	26,400	31,893	33,499
Non-controlling interests		8,221	8,520	-	-
Total equity		33,063	34,920	31,893	33,499

C. Consolidated Statement of Cash Flows for the Full Year Ended 30 June 2022

	Period from 01/07/21 to 30/06/22 S\$'000	Period from 01/07/20 to 30/06/21 S\$'000
Cash Flows From Operating Activities		
Loss before tax	(1,344)	(1,041)
Adjustments for:-		
Depreciation of property, plant and equipment	1,987	2,038
Depreciation of Right-of-use assets	176	17
Amortisation of intangible assets	8	14
Net loss arising on financial asset designated as at FVTPL	103	-
Interest expenses	891	905
Interest income	(14)	(15)
Share of results of equity-accounted investees, net of tax	(2)	(20)
Unrealised foreign exchange loss	170	131
Property, plant and equipment written off	3	-
Allowance for doubtful debts	195	-
Doubtful debts written off	106	-
Impairment loss on other receivables	76	-
Operating cash flows before working capital changes	2,355	2,184
Change in working capital: -		
Inventories	69	(1)
Trade and other receivables	(396)	191
Trade and other payables	(181)	(42)
Cash generated from operations	1,847	2,332
Interest paid	(885)	(885)
Net cash from operating activities	962	1,447
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(11)	(798)
Acquisition of intangible assets	(669)	(306)
Interest received	14	15
Non-trade amount due from an associate	(68)	-
Return of capital from other investments	156	106
Placement of fixed deposits with tenor of more than 3 months placed with financial institutions	-	(40)
Net cash used in investing activities	(578)	(1,023)
Cash Flows from Financing Activities		
Proceeds from loans and borrowings	-	5,000
Repayment to non-controlling interests, net	(371)	(988)
Repayment of loans and borrowings	(1,000)	-
Repayment of lease liabilities	(193)	(193)
Net cash (used in) / from financing activities	(1,564)	3,819
Net (decrease) / increase in cash and cash equivalents	(1,180)	4,243
Cash and bank balances at beginning of the financial year	7,772	3,593
Effect of exchange rate fluctuations on cash held	(203)	(64)
Cash and bank balances at end of the financial year	6,389	7,772
Represented by:		
Cash and cash equivalents at 30 June		
Fixed deposits	488	497
Cash and bank balances	6,389	7,772
Total	6,877	8,269
Less: Fixed deposits with tenor of more than 3 months placed with financial institutions	(488)	(497)
Cash and cash equivalents at end of the financial year	6,389	7,772

D. Consolidated Statement of Changes in Equity

The Group - For the Full Year Ended 30 June 2022

Group	Share Capital	Foreign Currency Translation Reserve	Other Reserve	Accumulated 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 2021	34,626	(393)	(1,338)	(6,495)	26,400	8,520	34,920
Loss for the year	-	-	-	(1,230)	(1,230)	(189)	(1,419)
Other comprehensive loss for the year	-	(328)	-	-	(328)	(110)	(438)
Total comprehensive loss for the year	-	(328)	-	(1,230)	(1,558)	(299)	(1,857)
Balance as at 30 June 2022	34,626	(721)	(1,338)	(7,725)	24,842	8,221	33,063

The Group - For the Full Year Ended 30 June 2021

Group	Share Capital	Foreign Currency Translation Reserve	Other Reserve	Accumulated 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 2020	87,434	(374)	(1,338)	(58,383)	27,339	4,177	31,516
Capital reduction	(52,808)	-	-	52,808	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	4,605	4,605
Loss for the year	-	-	-	(920)	(920)	(199)	(1,119)
Other comprehensive loss for the year	-	(19)	-	-	(19)	(63)	(82)
Total comprehensive loss for the year	-	(19)	-	(920)	(939)	(262)	(1,201)
Balance as at 30 June 2021	34,626	(393)	(1,338)	(6,495)	26,400	8,520	34,920

The Company – For the Full Year Ended 30 June 2022

Company	Share Capital	Accumulated Losses	Total
	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2021	34,626	(1,127)	33,499
Loss for the year	-	(1,606)	(1,606)
Total comprehensive loss for the year	-	(1,606)	(1,606)
Balance as at 30 June 2022	34,626	(2,733)	31,893

The Company – For the Full Year Ended 30 June 2021

Company	Share Capital	Accumulated Losses	Total
	S\$'000	S\$'000	S\$'000
Balance as at 1 July 2020	87,434	(52,808)	34,626
Capital reduction	(52,808)	52,808	-
Loss for the year	-	(1,127)	(1,127)
Total comprehensive loss for the year	-	(1,127)	(1,127)
Balance as at 30 June 2021	34,626	(1,127)	33,499

E. Notes to the Financial Statements

1. Corporate Information

ICP Ltd (the "Company") (Registration Number 196200234E) is incorporated in the Republic of Singapore with its principal place of business and registered office at 10 Anson Road, #28-16 International Plaza, Singapore 079903. The Company is listed on Catalist of Singapore Exchange. The financial statements are expressed in Singapore dollars.

The principal activity of the Company and its subsidiaries (collectively, the "Group") are that of investment holding, provision of hotel management services, hotel investment and chartering of vessels.

These condensed financial statements for the financial year ended 30 June 2022 comprise the Group.

2. Basis of Preparation

The condensed interim financial statements for the six months and full year ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standard (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last audited financial statements for the financial year ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of estimates and judgements

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of the assets within the next financial period are included in the following notes:

Note 9 – Impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and financial liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

2. Basis of Preparation (continued)

2.2 Use of estimates and judgements (continued)

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment information

The Group has three reportable segments, as described below, which are the Group's strategic business units. These units are managed separately because they require different operational expertise, industry knowledge and separate financial requirements on a standalone basis. For each of the strategic business units, the Executive Directors of the respective strategic business units (the chief operating decision maker) reviews internal management reports on a monthly basis to make strategic decisions including resource allocation and performance assessments.

- (a) Hospitality - Hotel management, franchise and investment
- (b) Vessels chartering - Chartering of vessels (oil tankers)
- (c) Investment holding – Investment and management activities

Performance is measured based on segment profit or loss, as included in the internal management reports that are reviewed by the Executive Director of the respective strategic business units. Segment profit or loss is used to measure performance as the Executive Director of the respective strategic business units believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

4.1 Reportable segments

Financial year ended 30 June 2022

Segment revenue

	Hospitality ⁽ⁱ⁾ S\$'000	Vessels chartering S\$'000	Investment holding S\$'000	Inter-segment adjustments S\$'000	Total S\$'000
Revenue from external customers	3,225	1,896	-	-	5,121
Inter-segment revenue	158	-	19	(177)	-
Total revenue	3,383	1,896	19	(177)	5,121
Finance income	8	-	6	-	14
Finance costs	(773)	-	(118)	-	(891)
Share of results of equity-accounted investees, net of tax	2	-	-	-	2
Tax expenses	-	(75)	-	-	(75)
Reportable segment (loss)/profit for the year	(196)	374	(1,615)	18	(1419)
Other material items:					
Depreciation and amortisation charges for the year	811	1,358	2	-	2,171
Other segment items:					
Capital expenditure	669	-	-	-	669

4.1 Reportable segments (continued)

Six months ended 30 June 2022

	Hospitality ⁽ⁱ⁾ S\$'000	Vessels chartering S\$'000	Investment holding S\$'000	Inter-segment adjustments S\$'000	Total S\$'000
Segment revenue					
Revenue from external customers	1,610	948	-	-	2,558
Inter-segment revenue	82	-	-	(82)	-
Total revenue	1,692	948	-	(82)	2,558
Finance income	4	-	3	-	7
Finance costs	(383)	-	(57)	-	(440)
Share of results of equity-accounted investees, net of tax	(1)	-	-	-	(1)
Tax expenses	-	(75)	-	-	(75)
Reportable segment (loss)/profit for the year	(360)	153	(868)	9	(1,066)
Other material items:					
Depreciation and amortisation charges for the year	394	679	1	9	1,083
Other segment items:					
Capital expenditure	291	-	-	-	291
<u>As at 30 June 2022</u>					
Reportable segment assets	48,105	13,490	39,003	(40,024)	60,574
Reportable segment liabilities	45,189	6,384	13,156	(37,218)	27,511

4.1 Reportable segments (continued)

	Hospitality ⁽ⁱ⁾	Vessels chartering	Investment holding	Inter-segment adjustments	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<i>Financial year ended 30 June 2021</i>					
Segment revenue					
Revenue from external customers	2,548	1,822	-	-	4,370
Inter-segment revenue	112	-	-	(112)	-
Total revenue	2,660	1,822	-	(112)	4,370
Finance income	14	-	1	-	15
Finance costs	(844)	-	(61)	-	(905)
Share of results of equity-accounted investees, net of tax	20	-	-	-	20
Tax expenses	1	(79)	-	-	(78)
Reportable segment (loss)/profit for the year	(314)	311	(1,134)	18	(1,119)
Other material items:					
Depreciation and amortisation charges for the year	908	1,332	2	(18)	2,224
Other segment items:					
Capital expenditure	332	769	3	-	1,104

4.1 Reportable segments (continued)

Six months ended 30 June 2021

	Hospitality ⁽ⁱ⁾ S\$'000	Vessels chartering S\$'000	Investment holding S\$'000	Inter-segment adjustments S\$'000	Total S\$'000
Segment revenue					
Revenue from external customers	1,113	949	-	-	2,062
Inter-segment revenue	53	-	-	(53)	-
Total revenue	1,166	949	-	(53)	2,062
Finance income	6	-	-	-	6
Finance costs	(413)	-	(61)	-	(474)
Share of results of equity-accounted investees, net of tax	(2)	-	-	-	(2)
Tax expenses	1	(79)	-	-	(78)
Reportable segment (loss)/profit for the year	(20)	131	(712)	7	(594)
Other material items:					
Depreciation and amortisation charges for the year	401	682	1	(9)	1,075
Other segment items:					
Capital expenditure	5	18	-	-	23
<i>As at 30 June 2021</i>					
Reportable segment assets	47,903	14,121	40,415	(38,115)	64,324
Reportable segment liabilities	44,343	7,389	12,952	(35,280)	29,404

Note:

- (i) Compared to FY2021, hospitality segment's total revenue in FY2022 increased from S\$2.7 million to S\$3.4 million, and from S\$1.2 million in 2H2021 to S\$1.7 million in 2H2022. The increase is attributable to management and consultancy agreements secured for hotels in Japan.

4.2 Disaggregation of Revenue

The Group's revenue is attributable to the geographical location of customers and assets as follows:

	6 months ended		12 months ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	1,457	1,256	2,938	2,655
Malaysia	481	476	877	1,034
Korea	287	238	624	495
Japan	212	-	450	-
Hong Kong	62	60	125	129
Others	59	32	107	57
	<u>2,558</u>	<u>2,062</u>	<u>5,121</u>	<u>4,370</u>

5 Loss before tax

5.1 Significant items

Other than as disclosed elsewhere in the condensed interim financial statements, loss before tax of the Group has been arrived at after charging (crediting) the following:

	6 months ended		12 months ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	991	983	1,987	2,038
Depreciation of right-of-use assets	91	85	176	170
Amortisation of intangible assets	1	7	8	14
Net loss arising on financial assets mandatorily measured at FVTPL	103	-	103	-
Allowance for doubtful debts	195	-	195	-
Allowance for doubtful debts written off	106	-	106	-
Impairment loss on other receivables	76	-	76	-
Foreign exchange loss	131	-	178	-

5.2 Related party transactions

Other than disclosed elsewhere in the financial statements, significant related party transactions carried out based on terms agreed between the parties are as follows:

	6 months ended		12 months ended	
	30 Jun 2022	30 Jun 2021	30 Jun 2022	30 Jun 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Non-controlling interests				
Vessels chartering income	948	948	1,896	1,822
Administrative fee charged by a corporate shareholder	19	20	39	39
Related corporations				
Hotel fees income from associate	59	56	118	122

6 Earnings per share (cents)

Basic earnings per share is calculated by dividing the net profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period:

	6 months ended		12 months ended	
	<u>30 Jun 2022</u>	<u>30 Jun 2021</u>	<u>30 Jun 2022</u>	<u>30 Jun 2021</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Net loss attributable to owners of the Company	(925)	(500)	(1,230)	(920)
Weighted average number of ordinary shares	3,111,689	3,111,689	3,111,689	3,111,689
Basic earnings per share (cents)	<u>(0.03)</u>	<u>(0.02)</u>	<u>(0.04)</u>	<u>(0.03)</u>

7 Net asset value per share

	Group		Company	
	<u>30 Jun 2022</u>	<u>30 Jun 2021</u>	<u>30 Jun 2022</u>	<u>30 Jun 2021</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Net asset value attributable to owners of the Company	24,842	26,400	31,893	33,499
Weighted average number of ordinary shares	3,111,689	3,111,689	3,111,689	3,111,689
Net asset value per share (cents)	<u>0.80</u>	<u>0.85</u>	<u>1.02</u>	<u>1.08</u>

There were no treasury shares at the end of each respective financial year.

8 Property, plant and equipment

During financial year ended 30 June 2022, the Group acquired assets amounting to S\$11,000 (30 June 2021: S\$798,000).

9 Intangible assets

Group	Software	Goodwill	Trademark	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Cost				
At 30 June 2020	286	1,167	5,078	6,531
Additions	-	-	306	306
At 30 June 2021	286	1,167	5,384	6,837
Additions	1	-	668	669
At 30 June 2022	287	1,167	6,052	7,506
Accumulated amortisation				
At 30 June 2020	265	-	-	265
Amortisation for the year	14	-	-	14
At 30 June 2021	279	-	-	279
Amortisation for the year	8	-	-	8
At 30 June 2022	287	-	-	287
Carrying amounts				
At 30 June 2021	7	1,167	5,384	6,558
At 30 June 2022	-	1,167	6,052	7,219

Company	Software
	S\$'000
Cost	
At 1 July 2020, 30 June 2021 and 30 June 2022	4
Accumulated amortisation	
At 1 July 2020	4
Amortisation for the year	-*
At 30 June 2021	4
Amortisation for the year	-
At 30 June 2022	4
Carrying amounts	
At 30 June 2021	-
At 30 June 2022	-

* Amount less than S\$1,000.

9 Intangible assets (continued)

(i) Goodwill

Impairment assessment

GMT Bravo Pte. Ltd. and GMT Charlie Pte. Ltd. each individually owns a vessel and leases the vessel to their non-controlling interests' subsidiary on a short-term bareboat charter arrangement.

Goodwill acquired in a business combination is allocated to the cash generating units (CGUs) that are expected to benefit from the business combination. The carrying amount of goodwill allocated to each CGU are as follows:

	Group	
	2022	2021
	S\$'000	S\$'000
Cash-generating units		
GMT Bravo Pte. Ltd.	613	613
GMT Charlie Pte. Ltd.	554	554
	1,167	1,167

The recoverable amounts of the CGUs are determined from value-in-use calculations, using future cash-flow projections derived from the cash flow projection approved by management. The key assumptions used in the calculation of recoverable amounts are as follows:

	Growth rates		Pre-tax discount rate	
	2022	2021	2022	2021
	%	%	%	%
GMT Bravo Pte. Ltd.	2.5	2.5	8.4	8.5
GMT Charlie Pte. Ltd.	2.5	2.5	8.4	8.5

The value-in-use calculation uses cash flow projections over the remaining life of the vessels and the projected residual value of the vessels at the end of their useful life respectively.

A pre-tax discount rate was adopted for the calculation of value-in-use. The pre-tax discount rate was determined based on the risk-free rate adjusted for a market risk premium to reflect market risks specific to the respective CGU.

Sensitivity to change in assumptions

Management has identified that a change in the following assumptions would cause the carrying amount of the CGUs to exceed the recoverable amount:

	Increase in pre-tax discount rate	
	2022	2021
	%	%
GMT Bravo Pte. Ltd.	2.6	2.4
GMT Charlie Pte. Ltd.	2.6	2.4

9 Intangible assets (continued)

(ii) Trademark rights

In 2015, the Group acquired the registered trademark rights to the hotel brand name “Travelodge” in the Asia Pacific region, excluding Australia and New Zealand, for services relating to the management of hotels and serviced apartments, operation of hotels and serviced apartments and associated sales, marketing, reservations and booking services and the provision of conference rooms.

In 2016, the Group acquired an additional trademark right to enable them to operate Travelodge brand hotels in the People’s Republic of China (“PRC”).

The Group assessed and concluded that these trademark rights are indefinite life intangible assets as there is no foreseeable limit to the Group’s ability to use the trademark right to generate cash inflows for the Group.

Impairment assessment

The trademark rights are part of the hospitality segment (“Hotel Development CGU”). The recoverable amount of the Hotel Development CGU is determined based on value-in-use calculation, using future cash-flow projections derived from the cash flow projection approved by management for the next 5 years (FY2021: 5 years). The key assumptions used in value-in-use calculations are:

	2022	2021
	%	%
Average growth in number of rooms	19	19
Average room occupancy rate	10 to 95	18 to 89
Pre-tax discount rates	9 to 11	8 to 10
Terminal growth rate	3	3

The cash flow projections are based on the cash flows expected to be derived from the contractual hotel management, franchise and license agreements established with local partners in Singapore, Korea, Japan, Hong Kong, Thailand, and Indonesia.

A pre-tax discount rate was adopted for the calculation of value-in-use. The pre-tax discount rate is determined based on a risk-free rate adjusted for a market risk premium to reflect market risks and the risks specific to the trademark rights. The long-term terminal growth rates have been determined based on the average real GDP rates for the countries in which the trademark rights are expected to be utilised.

The Group believes that any reasonably possible change to the key assumptions above is unlikely to cause the recoverable amount of trademark rights to be materially lower than its carrying amount.

10 Share capital

	<u>Group and Company</u>			
	2022	2021	2022	2021
	Number of ordinary shares			
	(’000)		S\$’000	S\$’000
<i>Issued and fully paid ordinary shares, with no par value</i>				
At the beginning of the financial year	3,111,689	3,111,689	34,626	87,434
Capital reduction	-	-	-	(52,808)
At the end of the financial year	<u>3,111,689</u>	<u>3,111,689</u>	<u>34,626</u>	<u>34,626</u>

All issued shares are fully paid, with no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company’s residual assets.

11 Loans and borrowings

	Group		Company	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Secured bank loans:				
- Current	15,569	361	-	-
- Non-current	2,867	18,915	-	-
	<u>18,436</u>	<u>19,276</u>	<u>-</u>	<u>-</u>
Bridging loan:				
- Current	1,260	735	1,260	735
- Non-current	3,110	4,265	3,110	4,265
	<u>4,370</u>	<u>5,000</u>	<u>4,370</u>	<u>5,000</u>
- Current	16,829	1,096	1,260	735
- Non-current	5,977	23,180	3,110	4,265
	<u>22,806</u>	<u>24,276</u>	<u>4,370</u>	<u>5,000</u>

The Group has a secured bank loan and a bridging bank loan with a carrying amount of S\$18.4 million (2021: S\$19.3 million) and S\$4.4 million (2021: S\$5 million) respectively as at 30 June 2022. The secured bank loan is held by one of the subsidiaries of the Group, of which the loan is secured by the hotel property and freehold land.

During the year ended 30 June 2022, one of the bank loan covenant requirements, which requires the subsidiary to maintain a debt service coverage ratio of minimum 1.2 times, was breached. Due to the long drawn COVID-19 situation that is still evolving, the recovery of the hotel property income was slowed down, resulting in a lower profit before interest, tax, depreciation, and amortization for the financial year.

As of 30 June 2022, the subsidiary secured a waiver letter from the bank to grant an indulgence for non-compliance of the loan covenant for the financial year ended 30 June 2022.

Included in the current portion of secured bank loans is a lump sum bullet payment amounting to S\$15.0 million that is due at maturity in February 2023. This caused the Group to be in a net current liability position as at 30 June 2022.

The management is currently in discussion with the bank to refinance the loan which is expected to be finalised in early October 2022.

12 Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

F. Other Information required pursuant to Appendix 7C of the Catalyst Rules

1. Review

The condensed consolidated statements of financial position of ICP Limited and its subsidiaries as at 30 June 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the six-month period and full year then ended and certain explanatory notes have not been audited or reviewed.

2. A statement showing all sales, transfer, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

3. A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable.

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

Not applicable.

4A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- a) Updates on the efforts taken to resolve each outstanding audit issue.
- b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

5. 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 Performance

The Group reported revenue of S\$5.1 million in the financial year ended 30 June 2022 ("FY2022") as compared to S\$4.4 million in the financial year ended 30 June 2021 ("FY2021"), an increase of 17.2% or S\$0.7 million, mainly attributable to the hospitality segment. The Group's revenue for the 6 months ended 30 June 2022 ("2H2022") was S\$2.5 million as compared to S\$2.1 million for the 6 months ended 30 June 2021 ("2H2021"), representing an increase of 24.1% or S\$0.4 million. From 2H2022, with the reopening of international border and easing of the COVID-19 entry requirements, the hotels achieved higher occupancy which resulted in higher hotel management fees. We have also secured a management contract and a consultancy agreement for hotels in Japan in the later part of the FY2022, resulting in higher revenue from hospitality segment. Revenue from the vessel chartering segment in FY2022 increased by S\$0.1 million due to an increase in chartering rate.

Review of Performance (continued)

Cost of sales remains constant at S\$1.6 million in FY2022. As a result, the Group's gross profit increased by 29.2% or S\$0.8 million from FY2021 to FY2022, and by 43.2% or S\$0.5 million from 2H2021 to 2H2022. Other income dropped from S\$0.2 million in FY2021 to S\$0.1 million in FY2022, as the other income in FY2021 included S\$0.1 million hotel consultancy fee while the fees of same nature were classified under revenue in FY2022.

Administrative expenses increase by 26.0% from S\$3.0 million in FY2021 to S\$3.8 million in FY2022, due to allowance for doubtful debts (including written off) of S\$0.3 million and higher payroll costs recorded in FY2022. The increase in payroll cost was mainly due to the cessation of government grants received under the Job Support Scheme after FY2021.

Following the above, the Group reported a net loss from operating activities of S\$0.1 million in FY2022.

Other losses in FY2022 comprise mainly of: a) impairment on other receivables, b) fair value loss arising from financial assets mandatorily measured at FVTP, and c) foreign exchange loss of monetary items.

As a result of the above, the Group reported a loss after tax of S\$1.4 million in FY2022 as compared to a loss before tax of S\$1.1 million in FY2021.

Review on balance sheet

Non-current assets

Non-current assets decreased by S\$2.4 million, mainly due to decrease in property, plant and equipment of S\$2.8 million, decrease in other investments of S\$0.3 million, offset by the increase in intangible assets of S\$0.7 million.

Current assets

Current assets decreased by S\$1.4 million, due to decrease in cash and cash equivalents of S\$1.4 million, decrease in inventories of S\$0.1 million, and increase in trade and other receivables by S\$0.1 million.

Non-current liabilities

Non-current liabilities comprise of S\$6.0 million loans and borrowings, S\$0.2 million amount due to non-controlling interests and S\$1.3 million deferred tax liabilities. Drop in non-current liabilities is mainly due to reclassification of the bank loan repayable within 1 year from non-current liabilities to current liabilities.

Current liabilities

Current liabilities increased from S\$4.2 million to S\$20.0 million, due to increase in current loans and borrowings of S\$15.7 million, increase in amount due to non-controlling interests of S\$0.2 million, increase in income tax payable of S\$0.1 million, partially offset by the decrease in trade and other payables of S\$0.2 million.

Equity

Total equity attributable to equity holders of the company decreased by S\$1.6 million mainly arising from total comprehensive loss attributable to equity holders of the company for the year.

Review of Cash Flows

The Group reported a net decrease in cash and cash equivalents of S\$1.5 million, consisting of positive operating cash flows of S\$1.0 million, cash used in financing activities of S\$1.6 million, cash used in investing activities of S\$0.6 million and negative effect of exchange rate fluctuation on cash held S\$0.2 million.

6. A breakdown of revenue and loss after tax before non-controlling interests

	Group	30 Jun 2022 S\$'000	30 Jun 2021 S\$'000	Change %
(a)	Revenue reported for first half year	2,563	2,308	11.0%
(b)	Loss after tax before non-controlling interests for the first half year	(353)	(525)	-32.8%
(c)	Revenue reported for second half year	2,558	2,062	24.1%
(d)	Loss after tax before non-controlling interests for the second half year	(1,066)	(594)	79.5%

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

Not applicable.

8. 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

As Covid-19 vaccination rates increased in many countries globally, the gradual easing of travel restrictions has accordingly contributed to the progressive recovery in international and domestic travel. In most of the countries where the Group's Travelodge hotels are located, with the exception of Japan, restrictions on inbound travel and social distancing measures have substantially been eased or lifted entirely.

However, with China still maintaining its quarantine requirements for returning travellers, the performance of the hospitality industry in Asia, for which Chinese travellers are a significant contributor, has not yet returned to the levels seen prior to the onset of Covid. Apart from China's opening up, the rate of recovery of the hospitality industry is also contingent on any subsequent mutations of the Covid-19 virus being manageable to the extent that lockdowns and travel restrictions will no longer be necessary.

The hospitality industry is facing a labour crunch worldwide as the hoteliers who left the industry to seek alternative employment in the last few years do not return. The cost of goods, supplies and equipment have also increased as a result of supply chain bottlenecks caused by Covid-19, the war in Ukraine and the lockdown seen in parts of China.

The Group continues to make progress on its growth objectives across Asia. In Japan, the Group will open its first Travelodge hotel in Q3 2022 - Travelodge Osaka Honmachi. In addition, the Group has also signed a management contract to launch Travelodge Kyoto Kawaramachi in Q1 2023. In Thailand, Travelodge Phuket Town opened in Q1 2022, and this will be followed by the opening of Travelodge Chiang Mai in Q4 2022.

The Group's vessel chartering business remains stable and continues to contribute positively to the Group's performance.

9. If a decision regarding dividend has been made:

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

No.

(b) (i) Amount per share cents

Not applicable.

(ii) Previous corresponding period cents

Not applicable.

(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 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

10. 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 of the fact that the Company is in a loss-making position for the current financial year.

11. Aggregate value of interested person transactions conducted pursuant to shareholders' mandate for the full year ended 30 June 2022.

To date, there is no general mandate from shareholders for interested person transactions.

The aggregate values of all interested person transactions for the full year ended 30 June 2022 did not exceed S\$100,000.

12. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10)

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Aw Ming-Yao Marcus	36	Son of Mr. Aw Cheok Huat, a substantial shareholder of the Company	Executive Director of the Company since November 2018	Nil

13. Confirmation by the Board of Directors pursuant to Rule 720(1) of the Catalist Rules

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

BY ORDER OF THE BOARD

Ong Min'er
Financial Controller

26 August 2022

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.

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