

**Issuer:** ICP Ltd.

**Security:** ICP Ltd.

**Meeting details:**

Date: 30 October 2017

Time: 1.30 p.m.

Venue: Sophia Cooke Ballroom (Level 2), Y.W.C.A., Fort Canning Lodge, 6 Fort Canning Road, Singapore 179494

**Company Description**

ICP Ltd., an investment holding company, engages in chartering of ships in Singapore. It is also involved in marketing and promotion of the Travelodge hotel brand. In addition, the company provides management consultancy services; and leasing services, as well as invests in unquoted funds. The company was formerly known as Goldtron Limited. ICP Ltd. was incorporated in 1962 and is based in Singapore.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=514](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=514))

**Q1.** As discussed in the Chariman’s Statement (page 2 of the annual report), the group signed up hotels in the region under franchise agreements and management contracts. Also, the group has made a minority stake investment and a majority stake investment into two hotel assets that will be branded Travelodge.

- a) **Can management help shareholders understand how it determines when to do franchise agreements or when to do management contracts of third-party owned hospitality assets?**
- b) **How does the group determine if it would take up majority/minority stakes in the hotels?**
- c) **Does management intend to maximise the growth of the brand in the region with an asset-light strategy (i.e. by franchising, or by signing management contracts, without the actual ownership of the hotels)?**
- d) **What are management’s plans to enter the Singapore, Japan, Korea and China market?**

**Q2.** As shown in Note 8 (page 73 – Available-for-sale financial assets), the group’s unquoted fund investment is recognised at its level 3 fair value of \$1.055 million. During the financial year, there was a capital call of \$0.288 million and a return of investment capital of \$0.126 million. The unquoted fund investment probably refers to the CMIA China Fund IV L.P. that the company invested in on 22 November 2013.

- a) **Since the inception of the fund, has the overall return of the unquoted fund investment been satisfactory?**
- b) **Going forward, would the group still make passive investments into such private equity funds given that the group requires capital to grow the hospitality business?**
- c) **How many investments remain in the fund? When is the expected dissolution of the fund?**

**Q3.** As shown in the Note 25 (page 98 - Operating segments), the group has three strategic business units, namely Vessels chartering, Hospitality and Investment holding.

Under the Investment holding segment, the group had made investments into Tiaro Coal Ltd. and Paragon Coal Pty. Ltd. (which are companies in the business of exploration of coal) but have since written off the full investment amount of \$6.3 million off.

Segment profit from vessel chartering has dropped to \$178,000 in 2017 and the revenue and earnings from this segment is expected to remain consistent in 2018.

- a) **Could management update shareholders on the strategic direction of the group? Is the group solely focused on growing the hospitality business?**
- b) **On the group’s capital management approach, while the group is in a net cash position as at 30 June 2017, is there a cap on the amount of leverage the group is willing to take to scale up the hospitality business?**