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

RESPONSE TO QUERIES FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE) (THE "SIAS") ON THE ANNUAL REPORT

The Board of Directors of ICP Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the queries raised by the SIAS on 23 October 2017 in relation to the Company's Annual Report for the financial year ended 30 June 2017 and appends the replies as follows:

Q1. As discussed in the Chairman'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?

Company's response:

This very much depends on hotel owners' individual preference. A hotel owner would generally prefer a franchise agreement if the owner wishes to manage the day-to-day operations of the hotel, while enjoying the benefits derived from the Group's globally recognised Travelodge brand, revenue management and sales and distribution expertise. In contrast, if the hotel owner does not wish to be involved in the day-to-day operations of the hotel, it would then prefer a management contract where the Group will take charge of the hotel operations on the owner's behalf.

b) How does the Group determine if it would take up majority/minority stakes in the hotels?

Company's response:

Again this depends on the opportunity that presents itself. The Group may elect to invest a minority stake in hotel acquisitions with strategic partners in order to secure the management contract as part of the deal. Given the Group's Chairman and senior management have strong track record and experience in hotel investment in the Asia Pacific region, the Group may also consider acquiring hotels in prime location of selected major cities in Asia when opportunities arise.

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)?

Company's response:

In general, the management will pursue an asset-light strategy but will consider investing in the hotel property itself should an attractive opportunity arise and the financial returns justify.

d) What are management's plans to enter the Singapore, Japan, Korea and China market?

Company's response:

During the last financial year, the Group has engaged in discussions with potential investors, owners, and operators for expansion into these markets via management contracts, franchise agreements and master franchise agreements. It is management's intention to try to finalize these in the near future. The Company shall update by way of announcement as and when any material development.

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?

Company's response:

The Group invested in the CMIA China Fund in November 2013. As at 30 June 2017, our total investment in the fund is approximately S$1.15 million. Since the inception of the fund, we have received a total investment income of approximately S$99,000. However, the Company recognized a fair value loss of S$99,000 in FY2017 as the net asset values of the underlying fund investment declined. We expect that the fund would perform better in the future with the fund manager's proactive approach towards its investments.

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?

Company's response:

As the Group is focussed on growing the hospitality business, capital will likely be reserved for such purposes. However if there are opportunities which have compelling financial reasons for the Group to invest, the Group will do so.

c) How many investments remain in the fund? When is the expected dissolution of the fund?

Company's response:

There are 7 investments in the fund as at 30 June 2017. The fund term is 7 years from 31 May 2012, but can be extended for another 2 years.

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?

Company's response:

Since the acquisition of Travelodge brand, the Group has focussed its efforts more on developing its hospitality business in order to maximise the potential of Travelodge brand, a globally recognised brand that is underdeveloped in Asia. We will continue to do so in the short to mid-term, but would still consider opportunistic investments in shipping and investment holding.

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?**

Company's response:

As we expect our hospitality business to be driven by franchise agreements and management contracts, which are not capital intensive in nature, it is clear that our strategy should essentially be asset-light. However, if an attractive opportunity should arise, we would consider investing in the property itself. This will result in debt financing, and therefore some form of leverage, which will be based on optimal asset backed financing models.

By Order of the Board

Shirley Lim Guat Hua
Company Secretary
31 October 2017