Securities Investors Association (Singapore)
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UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: ICP Ltd.

Stock code: 5I4

Meeting details:
Date: 18 Oct 2023
Time: 3.00 p.m.
Venue: Singapore Swimming Club, 45 Tanjong Rhu Rd, Singapore 436899

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Q1. The shareholding of the company has undergone a significant change following a mandatory cash offer by the offeror, Mr Aw Cheok Huat.

The offer was triggered after the offeror acquired 773,215,571 shares (23.2%) on 11 July 2023 for $0.007 per share. Prior to that, the offeror held a deemed interest in 647,627,900 shares, representing approximately 19.43% of the total number of issued shares. At the close of the offer, on 29 August 2023, the company announced that the offeror and its concert parties have 60.32% of the total number of issued shares in the company.

Separately, on 8 June 2023, the company had proposed a placement of up to 571 million new ordinary shares in the capital of the company at $0.00876 for each placement share. This his proposal led to a requisition by Mr Ang Kong Meng, a former shareholder of the company, seeking the removal of directors and the introduction of himself and another candidate to the board, along with a resolution to cease all fund raising activities by the company.

(i) **Following the close of offer, has the board initiated discussions with the offeror to ascertain their perspective on the company's strategic growth initiatives?**

(ii) **To provide clarity and transparency for the benefit of all shareholders, can the board articulate or reaffirm the company's strategic direction for the future?**

(iii) **Have there been any operational implications or impacts observed at Travelodge Myeongdong City-Hall, South Korea, Travelodge Harbourfront, Singapore, and Travelodge Myeongdong Euljiro, South Korea?**

(iv) **Given that the group generated $4.9 million in cash flow from operating activities (Consolidated statement of cash flow; page 65), can the board provide shareholders with greater clarity on the need to raise additional capital via a private placement? What were board's deliberations, particularly those of the independent directors, concerning any potential dilution resulting from fundraising initiatives?**

(v) **Does the group have the necessary capital to support its growth plans?**

(vi) **On the other hand, what guidance has the board given to management to ensure that the company can balance investing for the group's growth and providing shareholders with consistent and steady returns via dividends?**

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Q2. Revenue for the financial year almost doubled to $10.0 million for the financial year ended 30 June 2023, mainly due to the improved performance of the hospitality segment. As noted in the Review of operations and financial performance, the resumption of international travel brought about high occupancy and higher room rates.

During FY2023, the group opened five new hotels in Japan and Thailand.

As disclosed in Note 23 (Revenue; pages 114 & 115), hotel fees income amounted to $6.66 million while hotel property income was $1.48 million. The former relates to the provision of hotel management services and franchise fees and other services while the latter relates to the provision of hotel accommodation and related services (for owned hotels).

(i) **Would management consider clearly distinguishing the owned, managed and franchised hotels in its portfolio (The Travelodge Portfolio in Asia Today - page 8) in future annual reports? For the benefit of all shareholders, kindly disclose which hotels in the current portfolio of 17 are under management and which are franchised.**

(ii) **To what extent does the strength of the Singapore dollar (and especially the weakness of the Japanese Yen) and the increased foreign currency volatility impact the group's expansion strategies across different countries?**

(iii) **Similarly, what challenges does management face in the current high-interest rate environment, and what strategies does management intend to employ to address these challenges?**

(iv) **Beyond the scheduled launch of the group's fourth hotel in South Korea in early 2024, could management provide shareholders with a more comprehensive understanding of its expansion roadmap?** Management has set a target of 30 owned, managed and franchised hotels by FY2025. **What are the management's strategies to acquire new hotels under the Travelodge brand?**

(v) **What are the current occupancy rates of the hotels in different countries, and does management observe disparities in the pace of recovery and growth among them?**

(vi) **In addition, how soon does management anticipate that the newly opened hotels in Japan and Thailand will achieve stable, steady-state operational performances?**

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Q3. At the annual general meeting scheduled to be held on 18 October 2023, Mr Ong Kok Wah is due to retire by rotation and will not be seeking his re-election. Mr Ong Kok Wah was first appointed to the board on 21 January 2013.

In addition, the independent chairman, Mr Tan Kok Hiang, was first appointed to the board on 2 March 2012. Mr Tan Kok Hiang has served on the board for more than 11 years.

On 11 January 2023, Singapore Exchange Regulation (SGX RegCo) announced that it will limit the tenure of independent directors serving on the boards of listed issuers to nine years[1]. This stemmed from recommendations by the Corporate Governance Advisory Committee. There was broad market support for this change during the public consultation carried out by SGX RegCo.

Mr Tan Boon Gin, CEO of SGX RegCo, also noted that the limit on tenure of IDs provides an opportunity for companies to inject new skills, experience and knowledge into their boards, all of which will be invaluable in guiding the business for the long term.

(i) **Other than the retirement of Mr Ong Kok Wah, can the board elaborate further on the board renewal plans, especially the succession plan for the chairman?**

(ii) **What has been the total shareholder return over the past 3, 5 and 10 years?**

(iii) **What are the criteria used in the selection and appointment of the board chairman?**

(iv) **Could the nominating committee offer further insights into the search and nomination process for directors, as well as the progress made in identifying new independent directors?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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[1] https://www.sgxgroup.com/media-centre/20230111-sgx-regco-caps-independent-directors-tenure-enhances-remuneration