

IPC CORPORATION LTD
(Company Registration No. 198501057M)
3rd Quarter Financial Statement

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
 HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement and statement of comprehensive income or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR 3RD QUARTER ENDED 30 SEPTEMBER 2018**

	Group			Group		
	3 rd quarter ended 30 Sep		Increase/ (decrease)	9 months ended 30 Sep		Increase/ (decrease)
	2018	2017	%	2018	2017	%
	S\$'000	S\$'000		S\$'000	S\$'000	
Sales	883	1,033	(14.5)	2,911	2,888	0.8
Cost of sales	(815)	(837)	(2.6)	(2,499)	(2,370)	5.4
Gross profit/(loss)	68	196	(65.3)	412	518	(20.5)
Other income	153	137	11.7	451	473	(4.7)
Other gains/(losses), net	(1,525)	(150)	NM	(1,426)	(683)	NM
Expenses						
Distribution and marketing	(79)	(87)	(9.2)	(228)	(226)	0.9
Administrative	(1,000)	(1,013)	(1.3)	(3,244)	(3,234)	0.3
Finance	(146)	(189)	(22.8)	(424)	(507)	(16.4)
Other	(20)	–	NA	(21)	–	NA
	(1,245)	(1,289)	(3.4)	(3,917)	(3,967)	(1.3)
Profit/(loss) before income tax	(2,549)	(1,106)	NM	(4,480)	(3,659)	22.4
Income tax credit/(expense)	(9)	–	NA	(26)	–	NA
Total profit/(loss)	(2,558)	(1,106)	NM	(4,506)	(3,659)	23.1
Other comprehensive income/(loss)						
Items that may be reclassified subsequently to profit or loss:						
Financial assets, at FVOCI						
- Fair value gain/(loss)	(126)	–	NA	(2,386)	–	NA
Financial assets, available-for-sale						
- Fair value gain/(loss)	–	(5)	(100)	–	7	(100)
- Disposal	–	–	–	–	18	(100)
Currency translation gain/(loss) arising from consolidation	(2,328)	291	NM	(1,658)	(2,255)	(26.5)
Other comprehensive income/(loss), net of tax	(2,454)	286	NM	(4,044)	(2,230)	81.3
Total comprehensive income/(loss)	(5,012)	(820)	NM	(8,550)	(5,889)	45.2

(i) Profit/(loss) is arrived at after charging/(crediting) the following:

	Group			Group		
	3 rd quarter ended 30 September	2017	Increase/ (decrease) %	9 months ended 30 September	2017	Increase/ (decrease) %
	2018 S\$'000	S\$'000		2018 S\$'000	S\$'000	
Amortisation of leasehold properties	115	118	(2.5)	359	356	0.8
Depreciation	389	355	9.6	1,159	1,060	9.3
Foreign exchange losses/(gains), net (Note 6)	73	220	(66.8)	(26)	753	NM
Gain on disposal of financial assets, available-for-sale	–	–	–	–	(91)	(100)
Write-down on land held for development (Note 3)	1,452	–	NA	1,452	–	NA
Loss/(Gain) on disposal of other assets	–	20	(100)	–	20	(100)
Interest income (Note 5)	(34)	(30)	13.3	(97)	(137)	(29.2)
Interest expenses (Note 4)	146	189	(22.8)	424	507	(16.4)

Notes

1. Gross profit/(loss)
The decrease in gross profit for the financial period under review was in tandem with decrease in sales revenue of Grand nest HOTEL zhuhai, China.
2. Other income
The increase in other income was mainly due to higher rental income received in Zhuhai, China.
3. Other gains/(losses), net
The losses in Q3 FY2018 were mainly contributed by write-down on land held for development whereas the losses in Q3 FY2017 were mainly contributed by foreign exchange losses due to the weakening of United States Dollars. (Note 6)
4. Finance expense
The decrease was mainly due to lower finance cost incurred in the operations of Zhuhai, China.
5. The increase was due to higher interest income received.
6. The movement in the exchange rates of United States Dollar, Hong Kong Dollar and Renminbi against the Singapore Dollar was mainly unrealised, due to recorded monetary balances denominated in foreign currencies that were adjusted to reflect the Singapore Dollars equivalent at the end of the reporting period.

NM: Not meaningful (change more than 100%)
NA: Not applicable

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

	30 Sep 2018	<u>Group</u>		<u>Company</u>	
		31 Dec 2017 Restated (vi)	1 Jan 2017 Restated (vi)	30 Sep 2018	31 Dec 2017 Audited
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents (i)	5,527	7,334	10,619	1,654	3,735
Trade and other receivables	822	831	566	2,193	2,218
Tax recoverable	613	627	643	–	–
Properties developed for sale	18,969	19,535	20,080	–	–
Properties held for sale	3,074	3,145	3,225	–	–
Land held for development (ii)	4,970	–	–	4,970	–
Other assets	40	40	40	–	–
	34,015	31,512	35,173	8,817	5,953
Non-current assets					
Financial assets, available-for-sale (iii)	–	3,890	5,524	–	1,024
Financial assets, at FVPL (iii)	147	–	–	102	–
Financial assets, at FVOCI (iii)	1,374	–	–	911	–
Other receivables	–	–	–	55,970	57,203
Prepayment (iv)	34	7	2	–	–
Other asset	1	1	90	–	–
Investment in associated companies	–	–	–	–	–
Investment in subsidiaries	–	–	–	36,155	36,155
Prepaid leasehold properties	19,864	20,913	22,202	–	–
Land held for development (ii)	–	6,422	6,422	–	6,422
Property, plant and equipment	29,288	30,737	32,897	1,029	1,146
	50,708	61,970	67,137	94,167	101,950
Total assets	84,723	93,482	102,310	102,984	107,903
LIABILITIES					
Current liabilities					
Borrowings (v)	3,778	3,255	7,511	–	–
Trade and other payables	1,955	1,963	1,988	119	151
Current income tax liabilities	319	327	335	–	–
	6,052	5,545	9,834	119	151
Non-current liabilities					
Borrowings (v)	4,571	5,287	3,128	–	–
	4,571	5,287	3,128	–	–
Total liabilities	10,623	10,832	12,962	119	151
NET ASSETS	74,100	82,650	89,348	102,865	107,752
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	33,190	33,190	33,190	33,190	33,190
Currency translation reserve	(3,608)	(1,950)	–	–	–
Fair value reserve	(2,336)	50	30	19	50
Retained earnings	46,854	51,360	56,128	69,656	74,512
Total equity	74,100	82,650	89,348	102,865	107,752

Notes

- (i) The decrease in cash and cash equivalents was mainly used in operating activities.
- (ii) Land held for development has been reclassified to current assets and the decrease was due to write-down.
- (iii) The Financial assets, available-for-sale had been reclassified to Financial assets, at FVPL and Financial assets, at FVOCI with the adoption of SFRS(I) 9 on 1 January 2018. Decrease in financial assets, at FVOCI was mainly due to the adjustment of fair value loss during the financial period.
- (iv) The increase was mainly due to the prepayment for the operations in Zhuhai, China.
- (v) The increase of borrowings in current liabilities was mainly due to the reclassification from non-current liabilities.
- (vi) Refer to page 8 and 9 item 5.

1 (b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

<u>Group</u>		<u>Group</u>	
As at 30 September 2018		As at 31 December 2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,778	Nil	3,255	Nil

Amount repayable after one year

<u>Group</u>		<u>Group</u>	
As at 30 September 2018		As at 31 December 2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
4,571	Nil	5,287	Nil

Details of any collateral

The Group's borrowings were secured by pledge of prepaid leasehold properties and leasehold buildings in Zhuhai, China.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	<u>Group</u>		<u>Group</u>	
	3 rd quarter ended 30 Sep 2018 S\$'000	2017 S\$'000	9 months ended 30 Sep 2018 S\$'000	2017 S\$'000
Cash flows from operating activities				
Total profit/(loss)	(2,558)	(1,106)	(4,506)	(3,659)
Adjustments for				
- Income tax expense/(credit)	9	–	26	–
- Depreciation	389	355	1,159	1,060
- Amortisation of prepaid leasehold properties	115	118	359	356
- Unrealised translation losses/(gains)	79	137	(281)	814
- Gain on disposal of financial assets, available-for-sale	–	–	–	(91)
- Loss/(Gain) on disposal of other assets	–	20	–	20
- Write-down on land held for development	1,452	–	1,452	–
- Interest income	(34)	(30)	(97)	(137)
- Interest expenses	146	189	424	507
	<u>(402)</u>	<u>(317)</u>	<u>(1,464)</u>	<u>(1,130)</u>
Change in working capital				
- Other assets	3	2	–	(21)
- Properties	34	–	87	–
- Trade and other receivables	30	(95)	12	(147)
- Trade and other payables	170	124	(8)	(99)
Cash generated/(used in) from operations	<u>(165)</u>	<u>(286)</u>	<u>(1,373)</u>	<u>(1,397)</u>
Interest received	17	30	67	123
Income tax paid, net	(9)	–	(26)	–
Net cash provided by/(used in) operating activities (i)	<u>(157)</u>	<u>(256)</u>	<u>(1,332)</u>	<u>(1,274)</u>
Cash flows from investing activities				
Purchases of property, plant and equipment	(4)	(33)	(360)	(37)
Proceeds from disposal of financial assets, available-for-sale	–	–	–	1,389
Proceeds from disposal of other assets	–	90	–	90
Net cash provided by/(used in) investing activities	<u>(4)</u>	<u>57</u>	<u>(360)</u>	<u>1,442</u>
Cash flows from financing activities				
Interest paid	(146)	(213)	(424)	(594)
Proceeds from borrowings	–	2,433	614	5,489
Repayment of borrowings	(207)	(3,245)	(614)	(7,319)
Net cash provided by/(used in) financing activities	<u>(353)</u>	<u>(1,025)</u>	<u>(424)</u>	<u>(2,424)</u>
Net increase/(decrease) in cash and cash equivalents	(514)	(1,224)	(2,116)	(2,256)
Cash and cash equivalents at beginning of financial year	6,056	9,155	7,334	10,619
Effects of currency translation on cash and cash equivalents	(15)	(93)	309	(525)
Cash and cash equivalents at end of financial year	<u>5,527</u>	<u>7,838</u>	<u>5,527</u>	<u>7,838</u>

Notes:

- (i) The net cash used in operating activities was mainly related to the loss from operations.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY – GROUP	Attributable to Equity Holders of the Company				
	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
2018					
As at 31 December 2017	33,190	(3,748)	50	53,158	82,650
Adoption of SFRS(I) 1	–	1,798	–	(1,798)	–
As at 1 January 2018	33,190	(1,950)	50	51,360	82,650
Total comprehensive income/(loss) for the period					
Profit/(loss) for the period	–	–	–	(1,948)	(1,948)
Other comprehensive income/(loss) for the period	–	670	(2,260)	–	(1,590)
	–	670	(2,260)	(1,948)	(3,538)
As at 30 June 2018	33,190	(1,280)	(2,210)	49,412	79,112
Total comprehensive income/(loss) for the period					
Profit/(loss) for the period	–	–	–	(2,558)	(2,558)
Other comprehensive income/(loss) for the period	–	(2,328)	(126)	–	(2,454)
	–	(2,328)	(126)	(2,558)	(5,012)
As at 30 September 2018	33,190	(3,608)	(2,336)	46,854	74,100

STATEMENT OF CHANGES IN EQUITY – GROUP	Attributable to Equity Holders of the Company				
	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
2017					
As at 31 December 2016	33,190	(1,798)	30	57,926	89,348
Adoption of SFRS(I) 1	–	1,798	–	(1,798)	–
As at 1 January 2017	33,190	–	30	56,128	89,348
Total comprehensive income/(loss) for the period					
Profit/(loss) for the period	–	–	–	(2,553)	(2,553)
Other comprehensive income/(loss) for the period	–	(2,546)	30	–	(2,516)
	–	(2,546)	30	(2,553)	(5,069)
As at 30 June 2017	33,190	(2,546)	60	53,575	84,279
Total comprehensive income/(loss) for the period					
Profit/(loss) for the period	–	–	–	(1,106)	(1,106)
Other comprehensive income/(loss) for the period	–	291	(5)	–	286
	–	291	(5)	(1,106)	(820)
As at 30 September 2017	33,190	(2,255)	55	52,469	83,459

STATEMENT OF CHANGES IN EQUITY – COMPANY	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
2018				
As at 1 January	33,190	50	74,512	107,752
Total comprehensive income/(loss) for the period				
Profit/(loss) for the period	–	–	(965)	(965)
Other comprehensive income/(loss) for the period	–	(30)	–	(30)
	–	(30)	(965)	(995)
As at 30 June	33,190	20	73,547	106,757
Total comprehensive income/(loss) for the period				
Profit/(loss) for the period	–	–	(3,891)	(3,891)
Other comprehensive income/(loss) for the period	–	(1)	–	(1)
	–	(1)	(3,891)	(3,892)
As at 30 September	33,190	19	69,656	102,865

STATEMENT OF CHANGES IN EQUITY – COMPANY

	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
2017				
As at 1 January	33,190	30	79,447	112,667
Total comprehensive income/(loss) for the period				
Profit/(loss) for the period	–	–	(3,875)	(3,875)
Other comprehensive income/(loss) for the period	–	30	–	30
	–	30	(3,875)	(3,845)
As at 30 June	33,190	60	75,572	108,822
Total comprehensive income/(loss) for the period				
Profit/(loss) for the period	–	–	(573)	(573)
Other comprehensive income/(loss) for the period	–	(5)	–	(5)
	–	(5)	(573)	(578)
As at 30 September	33,190	55	74,999	108,244

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Not applicable.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares as at 30 September 2018 was 85,291,885 (31 December 2017: 85,291,885). There is no treasury share for both periods.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There is no treasury share as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There is no subsidiary holdings as at the end of the current financial period reported on.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditor.

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted Singapore Financial Reporting Standard (International) ("SFRS(I)"), a new financial reporting framework identical to International Financial Reporting Standards on 1 January 2018. Other than the adoption of the new standards that are effective on 1 January 2018, the new framework will have no material impact on the accounting policies and methods of computations applied by the Group with those used in its audited financial statements as at 31 December 2017 that were prepared in accordance with Singapore Financial Reporting Standard ("SFRS"), except for those as disclosed under item 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), on 1 January 2018 and has prepared its financial information under SFRS(I)s for the 3rd quarter and 9 months ended 30 September 2018.

In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group's opening balance sheet under SFRS(I)s has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I)s.

a) Application of SFRS(I) 1

The Group has elected for the optional exemption to reset its cumulative translation differences for all foreign operations to nil at the date of transition at 1 January 2017.

b) Adoption of SFRS(I)s

The following SFRS(I)s, and amendments and interpretations of SFRS(I)s that are relevant to the Group and the Company are effective on or after the same date.

- SFRS(I) 15 Revenue from Contracts with Customers
- SFRS(I) 9 Financial Instruments
- SFRS(I) 16 Leases
- Amendments to SFRS(I) 9 Prepayment Features with Negative Compensation
- Amendments to SFRS(I) 1-28 Long-term Interests in Associates and Joint Ventures
- SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration
- SFRS(I) INT 23 Uncertainty over Income Tax Treatments

The adoption of these SFRS(I)s, amendments and interpretations of SFRS(I)s did not have any significant impact on the financial statements of the Group except for the following:

Adoption of SFRS(I) 9

SFRS(I) 9 is effective for financial years beginning on or after 1 January 2018. The Group has elected to apply the short-term exemption under SFRS(I) 1, which exempt the Group from applying SFRS(I) 9 to comparative information. Accordingly, requirements of FRS 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 31 December 2017.

SFRS(I) 9 introduces new requirements for classification and measurement of financial instruments, impairment of financial assets, and hedge accounting. SFRS(I) 9 also introduces expanded disclosure requirements and changes in presentation.

- Classification and measurement

The Group has assessed the business models for managing the financial assets and the contractual cash flow characteristics of the financial assets to determine the appropriate classification for each financial asset under SFRS(I) 9.

As a result, certain balance sheet items were adjusted as at 1 January 2018.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change. (continued)**

The line items on the Group's financial statements with significant impact arising from the adoption of SFRS(I) are summarised below:

	As at 31 Dec 2017 reported under SFRS S\$'000	As at 1 Jan 2018 reported under SFRS(I) S\$'000	As at 1 Jan 2017 reported under SFRS S\$'000	As at 1 Jan 2017 reported under SFRS(I) S\$'000
Financial assets, available-for-sale	3,890	-	5,524	5,524
Financial assets, at FVPL	-	147*	-	-
Financial assets, at FVOCI	-	3,743*	-	-
Currency translation reserve	(3,748)	(1,950)	(1,798)	-
Retained earnings	53,158	51,360	57,926	56,128

* The group has the view that one of the equity investments is held for long term, thus it should be designated to financial assets, at FVOCI instead of financial assets, at FVPL. As a result, certain financial information in Q1 FY2018 and Q2 FY2018 have been revised as follow:

Q1 FY2018

	As at 31 Mar 2018 reported S\$'000	As at 31 Mar 2018 revised S\$'000
<u>Group's statement of financial position</u>		
Financial assets, at FVPL	2,968	147
Financial assets, at FVOCI	884	3,705

Q2 FY2018

	2 nd quarter ended 30 Jun 2018		Half year ended 30 Jun 2018	
	reported S\$'000	revised S\$'000	reported S\$'000	revised S\$'000
<u>Group's consolidated statement of comprehensive income</u>				
Other gains/(losses), net	(2,047)	183	(2,131)	99
Profit/(loss) before income tax	(3,131)	(901)	(4,161)	(1,931)
Total profit/(loss)	(3,131)	(901)	(4,178)	(1,948)
<u>Other comprehensive income/(loss)</u>				
Financial assets, at FVOCI – Fair value gain/(loss)	(9)	(2,239)	(30)	(2,260)
Other comprehensive income/(loss), net of tax	(859)	(3,089)	640	(1,590)

	As at 30 Jun 2018 reported S\$'000	As at 30 Jun 2018 revised S\$'000
<u>Group's statement of financial position</u>		
Financial assets, at FVPL	738	147
Financial assets, at FVOCI	909	1,500
Fair value reserve	20	(2,210)
Retained earnings	47,182	49,412

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<u>Group</u>		<u>Group</u>	
	3 rd quarter ended 30 Sep 2018	3 rd quarter ended 30 Sep 2017	9 months ended 30 Sep 2018	9 months ended 30 Sep 2017
Earning/(loss) per ordinary share of the Group for the year, after deducting any provision for preference dividends:-				
(i) Based on the weighted average number of ordinary shares on issue (in cents)	(3.00)	(1.30)	(5.28)	(4.29)
(ii) On a fully diluted basis (in cents)	(3.00)	(1.30)	(5.28)	(4.29)

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	30 Sep 2018	31 Dec 2017 Audited	30 Sep 2018	31 Dec 2017 Audited
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at the end of the financial period/year:-	S\$0.87	S\$0.97	S\$1.21	S\$1.26
Number of existing issued shares excluding treasury shares at end of the financial period/year:	85,291,885	85,291,885	85,291,885	85,291,885

8. **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.**

The Group recorded sales of S\$0.883 million for the 3rd quarter ended 30 September 2018 compared to S\$1.033 million for the previous corresponding financial period. The decrease in the sales revenue was due to the following:

- the weakening of the Renminbi currency; and
- inclement weather has caused some cancellations of conferences reservations.

Gross profit decreased by 65.3% to S\$0.068 million for the 3rd quarter ended 30 September 2018 compared to S\$0.196 million of the previous corresponding financial period. The decrease in gross profit for the financial period under review was due to the decrease in sales revenue of Grand nest HOTEL zhuhai, China.

The other losses in Q3 FY2018 was mainly contributed by the write-down of S\$1.452 million on land held for development. As a result, the Group recorded a loss before tax of S\$2.549 million and a loss after tax of S\$2.558 million for the 3rd quarter ended 30 September 2018.

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

The commentary under paragraph 10 of the Group's previous results announcement (Q2 FY2018) and the actual results are in line with the commentary.

10. 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.

The Group has on 18 October 2018 received payment of RMB 25 million (S\$4.975 million) for the completion of the sale of the 24% interest in its land held for development, Ju Ren Da Sha, located at Xiang Zhou Yin, Hai Lu, Zhuhai, PRC. The proceeds from the sale will enable the Group to expand the development of its hospitality business.

The Group owns preferred shares in Nest Hotel Corporation (NHJ), a company incorporated in Japan and is primarily engaged in hotel management and operation. NHJ currently manages 10 hotels in Japan, under the “nest” brand. By the end of 2018, the number of hotels will increase to 12; and by the end of 2020 another 6 hotels in the pipeline will be added, resulting in a total of 18 hotels that NHJ will manage in Japan.

The “nest” brand and its trademark are owned by the Group, and are licensed to NHJ under a licensing agreement.

The Group will continue to focus & expand its hospitality business not only in Japan, but also into other countries.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have any general mandate from shareholders pursuant to Rule 920.

14. Confirmation Pursuant to Rule 720(1) of the Listing Manual.

IPC Corporation Ltd confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the 3rd quarter ended 30 September 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ngiam Mia Je Patrick
Executive Chairman

Ngiam Mia Kiat Benjamin
Managing Director

29 October 2018

BY ORDER OF THE BOARD

Lauw Hui Kian
Director

29 October 2018