

**IPC CORPORATION LTD**  
**(Company Registration No. 198501057M)**  
**Full Year 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 THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	2018	Group 2017 Audited	Increase/ (decrease) %
	S\$'000	S\$'000	
Sales	9,019	4,070	NM
Cost of sales	(8,341)	(3,264)	NM
Gross profit/(loss)	678	806	(15.9)
Other income	607	634	(4.3)
Other gains/(losses), net	29,893	(861)	NM
Expenses			
Distribution and marketing	(318)	(321)	(0.9)
Administrative	(5,222)	(4,357)	19.9
Finance	(579)	(669)	(13.5)
Other	(20)	–	NA
	(6,139)	(5,347)	14.8
Profit/(loss) before income tax	25,039	(4,768)	NM
Income tax credit/(expense) (ii)	(71)	–	NA
Total profit/(loss)	24,968	(4,768)	NM
<b>Other comprehensive income/(loss)</b>			
Items that may be reclassified subsequently to profit or loss:			
Financial assets, available-for-sale			
- Fair value gain/(loss)	–	2	NM
- Disposal	–	18	(100)
Financial assets, at FVOCI – debt investments			
- Fair value gain/(loss)	(42)	–	NA
Currency translation gain/(loss) arising from consolidation	(1,721)	(1,950)	(11.7)
Items that will not be reclassified subsequently to profit or loss:			
Financial assets, at FVOCI – equity investments			
- Fair value gain/(loss)	(2,396)	–	NA
<b>Other comprehensive income/(loss), net of tax</b>	<b>(4,159)</b>	<b>(1,930)</b>	<b>NM</b>
<b>Total comprehensive income/(loss)</b>	<b>20,809</b>	<b>(6,698)</b>	<b>NM</b>

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

	2018	Group 2017	Increase/ (decrease)
	S\$'000	Audited S\$'000	%
Amortisation of prepaid leasehold properties	473	475	(0.4)
Depreciation	1,539	1,421	8.3
Foreign exchange losses/(gains), net (Note 3, 7)	(24)	932	NM
Loss/(Gain) on disposal of financial assets, available-for-sale	-	(91)	(100)
Write-down on land held for development (Note 3)	1,452	-	NM
Loss/(Gain) on disposal of other assets	-	20	(100)
Fair value loss/(gain) on financial assets, at FVPL (Note 3)	(31,340)	-	NA
Write-off of other receivables	19	-	NA
Interest income (Note 6)	(143)	(166)	(13.9)
Interest expenses (Note 5)	579	669	(13.5)

(ii) Income tax expense/(credit)

Foreign taxes - Current income tax	26	-	NA
Under/(over) provision in prior financial years - Current income tax	45	-	NA
	<u>71</u>	<u>-</u>	NA

## Notes

### 1. Sales

The increase in sales for the financial year under review compared to the previous financial year was mainly due to the sales of the entire 24% interest in the land held for development, Ju Ren Da Sha, located at Xiang Zhou Yin Hua Lu, Zhuhai, China ("JU REN DA SHA").

### 2. Gross profit/(loss)

The decrease in gross profit for the financial year under review was due to the decrease in the sales revenue of Grand nest Hotel, Zhuhai, China, as a result of the following:

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

### 3. Other gains/(losses), net

The gains in FY2018 were mainly contributed by the fair value gain on financial assets, at FVPL which relates to the Group's preference shares investment in the Nest Hotel Japan Corporation ("NHJC"), a company incorporated in Japan, primarily engaged in the business of hotel management, operations and investment, offset against the write-down on the 24% interest in land held for development, JU REN DA SHA, whereas the losses in FY2017 were mainly due to the weakening of United States Dollars against the Singapore Dollar (Note 7).

### 4. Administrative expense

The increase was mainly due to the performance bonus for the management of the Group.

### 5. Finance expense

The decrease was mainly due to lower finance cost incurred in the operations of Zhuhai, China.

### 6. The decrease was due to lower interest income received.

### 7. 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**

	<u>Group</u>			<u>Company</u>		
	31 Dec 2018 S\$'000	31 Dec 2017 Restated (vii) S\$'000	1 Jan 2017 Restated (vii) S\$'000	31 Dec 2018 S\$'000	31 Dec 2017 Audited S\$'000	1 Jan 2017 Audited S\$'000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents (i)	9,974	7,334	10,619	5,996	3,735	5,598
Trade and other receivables (ii)	590	831	566	158	2,218	190
Tax recoverable	612	627	643	–	–	–
Properties developed for sale	18,958	19,535	20,080	–	–	–
Properties held for sale	3,071	3,145	3,225	–	–	–
Other assets	37	40	40	–	–	–
	<u>33,242</u>	<u>31,512</u>	<u>35,173</u>	<u>6,154</u>	<u>5,953</u>	<u>5,788</u>
<b>Non-current assets</b>						
Financial assets, available-for-sale (iii)	–	3,890	5,524	–	1,024	2,586
Financial assets, at FVPL (iii)	34,551	–	–	34,551	–	–
Financial assets, at FVOCI (iii)	1,320	–	–	896	–	–
Other receivables	–	–	–	57,907	57,203	60,563
Prepayment (iv)	94	7	2	–	–	–
Other asset	1	1	90	–	–	–
Investment in associated companies	–	–	–	–	–	–
Investment in subsidiaries	–	–	–	36,155	36,155	36,155
Prepaid leasehold properties	19,719	20,913	22,202	–	–	–
Land held for development (i)	–	6,422	6,422	–	6,422	6,422
Property, plant and equipment	28,881	30,737	32,897	990	1,146	1,303
	<u>84,566</u>	<u>61,970</u>	<u>67,137</u>	<u>130,499</u>	<u>101,950</u>	<u>107,029</u>
<b>Total assets</b>	<u>117,808</u>	<u>93,482</u>	<u>102,310</u>	<u>136,653</u>	<u>107,903</u>	<u>112,817</u>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Borrowings (v)	3,774	3,255	7,511	–	–	–
Trade and other payables (vi)	2,824	1,963	1,988	949	151	150
Current income tax liabilities	319	327	335	–	–	–
	<u>6,917</u>	<u>5,545</u>	<u>9,834</u>	<u>949</u>	<u>151</u>	<u>150</u>
<b>Non-current liabilities</b>						
Borrowings (v)	4,368	5,287	3,128	–	–	–
	<u>4,368</u>	<u>5,287</u>	<u>3,128</u>	<u>–</u>	<u>–</u>	<u>–</u>
<b>Total liabilities</b>	<u>11,285</u>	<u>10,832</u>	<u>12,962</u>	<u>949</u>	<u>151</u>	<u>150</u>
<b>NET ASSETS</b>	<u>106,523</u>	<u>82,650</u>	<u>89,348</u>	<u>135,704</u>	<u>107,752</u>	<u>112,667</u>
<b>EQUITY</b>						
<b>Capital and reserves attributable to equity holders of the Company</b>						
Share capital	33,190	33,190	33,190	33,190	33,190	33,190
Currency translation reserve	(3,671)	(1,950)	–	–	–	–
Fair value reserve	(2,388)	50	30	8	50	30
Retained earnings	79,392	51,360	56,128	102,506	74,512	79,447
<b>Total equity</b>	<u>106,523</u>	<u>82,650</u>	<u>89,348</u>	<u>135,704</u>	<u>107,752</u>	<u>112,667</u>

## Notes

- (i) The increase in cash and cash equivalents was mainly due to the proceeds from the sales of the entire 24% interest in the land held for development, JU REN DA SHA.
- (ii) The decrease in trade and other receivables was mainly due to the repayment of the loan by a third party.
- (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. The overall increase in such financial assets is due to the fair value gain in financial assets, at FVPL which relates to the Group's preference share investment in NHJC, offset by fair value loss in financial assets, at FVOCI.
- (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 the borrowings in non-current liabilities.
- (vi) The increase was due to the accrued expenses for the operations in Singapore.
- (vii) Refer to pages 7 and 8 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 31 December 2018		As at 31 December 2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,774	Nil	3,255	Nil

#### Amount repayable after one year

<u>Group</u>		<u>Group</u>	
As at 31 December 2018		As at 31 December 2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
4,368	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**

	2018	Group 2017
	S\$'000	Audited S\$'000
<b>Cash flows from operating activities</b>		
Total profit/(loss)	24,968	(4,768)
Adjustments for		
- Income tax expense/(credit)	71	-
- Depreciation	1,539	1,421
- Amortisation of prepaid leasehold properties	473	475
- Unrealised translation losses/(gains)	(71)	778
- Loss/(Gain) on disposal of financial assets, available-for-sale	-	(91)
- Loss/(Gain) on disposal of other assets	-	20
- Write-down on land held for development	1,452	-
- Fair value loss/(gain) on financial assets, at FVPL	(31,340)	-
- Write-off of other receivables	19	-
- Interest income	(143)	(166)
- Interest expenses	579	669
	<u>(2,453)</u>	<u>(1,662)</u>
Change in working capital		
- Other assets	3	(21)
- Properties	5,066	-
- Trade and other receivables	165	(257)
- Trade and other payables	861	(25)
Cash generated/(used in) from operations	<u>3,642</u>	<u>(1,965)</u>
Interest received	113	153
Income tax paid, net	(71)	-
<b>Net cash provided by/(used in) operating activities</b>	<u>3,684</u>	<u>(1,812)</u>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(360)	(49)
Proceeds from disposal of financial assets, available-for-sale	-	1,389
Proceeds from disposal of other asset	-	90
<b>Net cash provided by/(used in) investing activities</b>	<u>(360)</u>	<u>1,430</u>
<b>Cash flows from financing activities</b>		
Interest paid	(579)	(669)
Proceeds from borrowings	3,652	5,492
Repayment of borrowings	(3,855)	(7,322)
<b>Net cash provided by/(used in) financing activities</b>	<u>(782)</u>	<u>(2,499)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	2,542	(2,881)
Cash and cash equivalents at beginning of financial year	7,334	10,619
Effects of currency translation on cash and cash equivalents	98	(404)
<b>Cash and cash equivalents at end of financial year</b>	<u>9,974</u>	<u>7,334</u>

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				Total
	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	
<b>2018</b>					
As at 31 December 2017	33,190	(1,950)	50	51,360	82,650
Adoption of SFRS(I) 9	–	–	–	3,064	3,064
As at 1 January 2018	33,190	(1,950)	50	54,424	85,714
<b>Total comprehensive income/(loss) for the year</b>					
Profit/(loss) for the year	–	–	–	24,968	24,968
Other comprehensive income/(loss) for the year	–	(1,721)	(2,438)	–	(4,159)
	–	(1,721)	(2,438)	24,968	20,809
As at 31 December 2018	33,190	(3,671)	(2,388)	79,392	106,523

STATEMENT OF CHANGES IN EQUITY – GROUP	Attributable to Equity Holders of the Company				Total
	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	
<b>2017</b>					
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
<b>Total comprehensive income/(loss) for the year</b>					
Profit/(loss) for the year	–	–	–	(4,768)	(4,768)
Other comprehensive income/(loss) for the year	–	(1,950)	20	–	(1,930)
	–	(1,950)	20	(4,768)	(6,698)
As at 31 December 2017	33,190	(1,950)	50	51,360	82,650

**STATEMENT OF CHANGES IN EQUITY – COMPANY**

	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
<b>2018</b>				
As at 31 December 2017	33,190	50	74,512	107,752
Adoption of SFRS(I) 9	–	–	3,064	3,064
As at 1 January 2018	33,190	50	77,576	110,816
<b>Total comprehensive income/(loss) for the year</b>				
Profit/(loss) for the year	–	–	24,930	24,930
Other comprehensive income/(loss) for the year	–	(42)	–	(42)
	–	(42)	24,930	24,888
As at 31 December 2018	33,190	8	102,506	135,704

**STATEMENT OF CHANGES IN EQUITY – COMPANY**

	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
<b>2017</b>				
As at 1 January	33,190	30	79,447	112,667
<b>Total comprehensive income/(loss) for the year</b>				
Profit/(loss) for the year	–	–	(4,935)	(4,935)
Other comprehensive income/(loss) for the year	–	20	–	20
	–	20	(4,935)	(4,915)
As at 31 December	33,190	50	74,512	107,752

- 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 31 December 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) for the financial year ended 31 December 2018.

In adopting SFRS(I), 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) 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 deem its cumulative translation differences for all foreign operations to be nil at the date of transition to SFRS(I) on 1 January 2017.

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)**

b) Adoption of SFRS(I)

The following SFRS(I), and amendments and interpretations of SFRS(I) 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
- 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

The adoption of these SFRS(I), amendments and interpretations of SFRS(I) 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 to adopt SFRS(I) 9 on 1 January 2018 and 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 of financial assets

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.

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

<b>Group</b>	<b>Reported under SFRS \$'000</b>	<b>Effects of applying SFRS(I) 1 \$'000</b>	<b>Reported under SFRS(I) \$'000</b>	
<b>As at 1 January 2017</b>				
Currency translation reserve	(1,798)	1,798	-	
Retained earnings	57,926	(1,798)	56,128	
	<b>As at 31 Dec 2017 reported under SFRS \$'000</b>	<b>Effects of applying SFRS(I) 1 \$'000</b>	<b>Effects of applying SFRS(I) 9 \$'000</b>	<b>As at 1 Jan 2018 reported under SFRS(I) \$'000</b>
<b>Group</b>				
Financial assets, available-for-sale	3,890	-	(3,890)	-
Financial assets, at FVPL	-	-	3,211	3,211
Financial assets, at FVOCI	-	-	3,743	3,743
Currency translation reserve	(3,748)	1,798	-	(1,950)
Retained earnings	53,158	(1,798)	3,064	54,424
<b>Company</b>				
Financial assets, available-for-sale	1,024	-	(1,024)	-
Financial assets, at FVPL	-	-	3,166	3,166
Financial assets, at FVOCI	-	-	922	922
Retained earnings	74,512	-	3,064	77,576



**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>	
	2018	2017 Audited
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)	29.27	(5.59)
(ii) On a fully diluted basis (in cents)	29.27	(5.59)

**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>	
	31 Dec 2018	31 Dec 2017 Audited	31 Dec 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 year:-	S\$1.25	S\$0.97	S\$1.59	S\$1.26
Number of existing issued shares excluding treasury shares at end of the financial 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\$9.019 million for the financial year ended 31 December 2018 compared to S\$4.070 million for the previous financial year.

The increase in sales for the financial year under review compared to the previous financial year was mainly due to the sales of the entire 24% interest in the land held for development, JU REN DA SHA.

Gross profit decreased by 15.9% to S\$0.678 million compared to S\$0.806 million in FY2017 was mainly due to the decrease in the sales revenue of Grand nest Hotel, Zhuhai, China, as a result of the following:

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

The other gains of S\$29.893 million in FY2018 was mainly contributed by the fair value gain on financial assets, at FVPL which relates to the Group's preference shares investment in NHJC offset against the write-down on the 24% interest in the land held for development, JU REN DA SHA. As a result, the Group recorded a profit before tax of S\$25.039 million and a profit after tax of S\$24.968 million for the financial year ended 31 December 2018.

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

The actual results are in line with the commentary under paragraph 10 of the Group's previous results announcement (Q3 FY2018) and the profit guidance announcement on 25 January 2019.

**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 owns preference shares in NHJC and it currently manages 12 hotels in Japan, under the “nest,” Bespoke” and “Tissage” brands. NHJC has also planned to manage another 6 hotels scheduled to commence in FY2019 and FY2020, resulting in a total of 18 hotels that NHJC will manage in Japan by end 2020.

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

As part of the Group’s strategy to expand its hospitality business to other countries, it has on 12 November 2018 entered into a joint venture agreement with NHJC and AP ASEAN Holding Limited to conduct the business of hospitality and asset management in the Asia Pacific Region (excluding Japan). The joint venture is expected to be incorporated in FY2019.

**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 and the reason(s) for the decision.**

No dividend has been proposed by the Board for financial year ended 31 December 2018. The Company is preserving its cash resources to pursue strategic business opportunities.

**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.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recent audited annual financial statements, with comparative information for the immediately preceding year.**

	<u>Properties</u> China S\$'000	<u>Hotel Management</u> China S\$'000	<u>Other</u> Singapore S\$'000	<u>Total</u> S\$'000
<b>Group</b>				
<b>2018</b>				
<b>Revenue and other income</b>				
- external sales	5,084	3,935	–	9,019
- other income	409	26	172	607
- inter-segment revenue	260	–	–	260
	<u>5,753</u>	<u>3,961</u>	<u>172</u>	<u>9,886</u>
<b>Cost of revenue and operating expense</b>	<b>(5,608)</b>	<b>(3,135)</b>	<b>(3,725)</b>	<b>(12,468)</b>
<b>inter-segment expense</b>	<b>–</b>	<b>(260)</b>	<b>–</b>	<b>(260)</b>
<b>Depreciation and amortisation</b>	<b>(1,435)</b>	<b>(421)</b>	<b>(156)</b>	<b>(2,012)</b>
<b>Other gains/(losses), net</b>	<b>(1,452)</b>	<b>(98)</b>	<b>31,443</b>	<b>29,893</b>
<b>Profit/(loss) before income tax</b>	<b>(2,742)</b>	<b>47</b>	<b>27,734</b>	<b>25,039</b>
<b>Total Assets</b>	<b>66,486</b>	<b>4,733</b>	<b>45,977</b>	<b>117,196</b>
Total assets includes:				
Additions to:				
- property, plant and equipment	–	360	–	360
<b>2017</b>				
<b>Revenue and other income</b>				
- external sales	–	4,070	–	4,070
- other income	343	23	268	634
- inter-segment revenue	247	–	–	247
	<u>590</u>	<u>4,093</u>	<u>268</u>	<u>4,951</u>
<b>Cost of revenue and operating expense</b>	<b>(554)</b>	<b>(3,163)</b>	<b>(2,998)</b>	<b>(6,715)</b>
<b>inter-segment expense</b>	<b>–</b>	<b>(247)</b>	<b>–</b>	<b>(247)</b>
<b>Depreciation and amortisation</b>	<b>(1,442)</b>	<b>(297)</b>	<b>(157)</b>	<b>(1,896)</b>
<b>Other gains/(losses), net</b>	<b>–</b>	<b>124</b>	<b>(985)</b>	<b>(861)</b>
<b>Profit/(loss) before income tax</b>	<b>(1,406)</b>	<b>510</b>	<b>(3,872)</b>	<b>(4,768)</b>
<b>Total Assets</b>	<b>69,622</b>	<b>4,847</b>	<b>18,386</b>	<b>92,855</b>
Total assets includes:				
Additions to:				
- property, plant and equipment	1	48	–	49
			<u>Group</u>	
			2018	2017
			S\$'000	Audited S\$'000
Segment assets for reportable segments			117,196	92,855
Other segment assets				
Unallocated				
- tax recoverable			612	627
			<u>117,808</u>	<u>93,482</u>
<b>Revenue from major products and services</b>				
Properties			5,084	–
Hotel management			3,935	4,070
			<u>9,019</u>	<u>4,070</u>

15. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recent audited annual financial statements, with comparative information for the immediately preceding year.** (continued)

**Geographical information**

	<u>Sales</u>	
	2018 S\$'000	2017 Audited S\$'000
China	9,019	4,070

  

	<u>Non-current Assets</u>		
	31 Dec 2018 S\$'000	31 Dec 2017 (Audited) S\$'000	1 Jan 2017 (Audited) S\$'000
Singapore	36,861	11,458	13,339
China	47,705	50,512	53,798
	<u>84,566</u>	<u>61,970</u>	<u>67,137</u>

16. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

This has been explained in item 8 and item 10 above.

17. **A breakdown of sales.**

	2018 S\$'000	Group 2017 S\$'000	Increase/ (Decrease) %
Sales reported for the first half year	2,028	1,855	9.3
Operating profit/(loss) after tax before deducting non-controlling interests for first half year	(1,948)	(2,553)	(23.7)
Sales reported for second half year	6,991	2,215	NM
Operating profit/(loss) after tax before deducting non-controlling interests for second half year	26,916	(2,215)	NM

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

18. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

19. Disclosure of person occupying a managerial position in the issuer of 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(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director 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
Ngiam Mia Je Patrick	64	Please see notes below	Chairman and Chief Executive Officer.  Responsible for the overall management of the Group.  The positions were held since 1992.	No change
Ngiam Mia Kiat Benjamin	62	Please see notes below	Managing Director.  Responsible for the operations of the Group.  The position was held since 1992.	No change
Lauw Hui Kian	62	Please see notes below	Executive Director (Finance & Administration)  Controlling the administration and finance activities of the Group.  The position was held since 1985.	No change
Ngiam Mia Hai Bernard	58	Please see notes below	Executive Director (Marketing & Corporate Communications, Business Development)  Managing the marketing activities and corporate communications of the Group and engaging in business development/investment activities.  The position was held since 1985.	No change
Ngiam Mia Hong Alfred	55	Please see notes below	Executive Director (Business Development & IT Solutions)  Responsible for all aspects of the IT solutions of the Group and engage in business development/investment activities.  The position was held since 1991.	No change

Notes:

- Ms Lauw Hui Kian is the spouse of Mr Ngiam Mia Je Patrick.
- Messrs Ngiam Mia Je Patrick, Ngiam Mia Kiat Benjamin, Ngiam Mia Hai Bernard and Ngiam Mia Hong Alfred are brothers.
- Mr Ngiam Mia Je Patrick, Mr Ngiam Mia Kiat Benjamin and Ms Lauw Hui Kian are also substantial shareholders of the Company.

**BY ORDER OF THE BOARD**

Lauw Hui Kian  
Director  
30 January 2019