

SALE OF 2 HOTELS IN SAPPORO, JAPAN

1. INTRODUCTION

The Board of Directors (the “Directors”) of IPC Corporation Ltd (“**IPC**” or the “**Company**”) would like to announce that the Company has today entered into a sale and purchase agreement (the “**S&P Agreement**”) with GK Sapporo Holdings Tokumei Kumiai (the “**Purchaser**”) for the sale by the Company of its two hotels in Sapporo, Japan, known as “nest HOTEL sapporo odori” and “nest HOTEL sapporo ekimae” (the “**Sapporo Hotels**”) to the Purchaser (the “**Transaction**”).

GK Sapporo Holdings Tokumei Kumiai is established as a 100% owned subsidiary of Ichigo Group Holdings Co., Ltd to hold the Sapporo Hotels.

Information relating to the Transaction, including the S&P Agreement and financial effects of the Transaction to the Company are set out below.

2. INFORMATION RELATING TO THE TRANSACTION

2.1 The Sapporo Hotels

nest HOTEL sapporo odori has 117 rooms and was purchased by the Company in December 2012. nest HOTEL sapporo ekimae has 162 rooms and was purchased by the Company in May 2013.

2.2 Principal Terms of the Transaction

(a) Sale Consideration

The total consideration of JPY2,691,550,000 (approximately S\$29.61 million) paid for the Sapporo Hotels (the “**Sale Consideration**”) was negotiated on a willing-buyer and willing-seller basis, taking into account the recent market prices of hotels in the region. The Sale Consideration was paid wholly in cash to the Company at the same time of signing the S&P Agreement.

(b) Principal Terms of the S&P Agreement

The principal terms of the S&P Agreement, include, *inter alia*, the following:

- (i) the Sapporo Hotels are sold on an “as is where is” basis; and
- (ii) the Sapporo Hotels shall retain the “nest” brand and continue to be managed by Nest Hotel Japan (“**NHJ**”), a licensee of nest brand, which is owned by IPC.

3. RATIONALE AND INTENDED USE OF PROCEEDS

The Transaction will allow IPC to unlock the value of the Sapporo Hotels and to reinvest the cash into projects that will optimise overall returns to its shareholders.

4. FINANCIAL EFFECTS OF THE TRANSACTION

Based on the latest unaudited consolidated financial statements of the Group for the financial period ended 30 September 2014, the Company has realised a net gain of approximately JPY950 million (approximately S\$10.45 million) from the Transaction.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for any interests arising by virtue of their interests in the Company, none of the Company's Directors has any direct or indirect interest in the Transaction. The Directors are not aware of any substantial shareholder having any interest, direct or indirect, in the Transaction, and have not received any notification of interest in the Transaction from any substantial shareholder.

By Order of the Board
IPC Corporation Ltd

Ngiam Mia Hai Bernard
Executive Director

26 December 2014