ANNUAL REPORT 2021

VISION

To be an accomplished property developer & hospitality group in Asia

MISSION

We are committed to provide value to our stakeholders & be socially responsible

CORE VALUES

PLEDGE OF PARTNERSHIP

We adopt a "Partnership" approach to achieve "win-win" in all relationships

SENSE OF RUB

Assuming RESPONSIBILITY is a SPIRIT and conviction to all our stakeholders

Upholding an ATTITUDE of URGENCY unleashes dynamism and relentless effort in accomplishing our mission

BELONGING is a BELIEF that will harness unity and strength in building a Great Corporation

ANNUAL REPORT 2021
IPC CORPORATION LTD AND SUBSIDIARY COMPANIES

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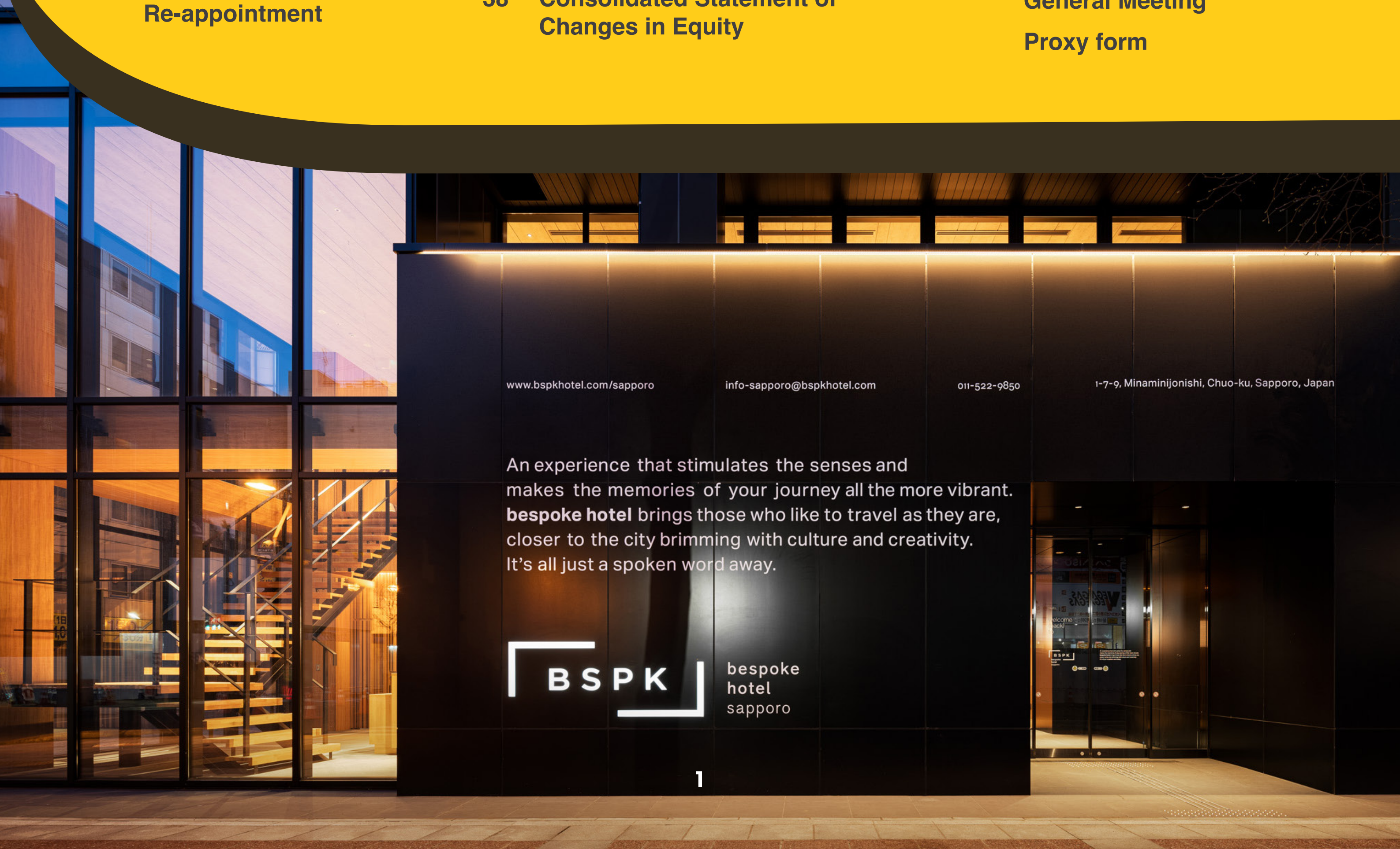


CHAIRMAN'S STATEMENT

In 2021, NHJC opened Nest Hotel Naha Kumoji, a 120-room hotel located in the centre of Naha City, Okinawa and Bespoke Hotel Sapporo, a 125-room hotel located in Hokkaido. In March 2022, Nest Hotel Naha Nishi (West) with 143 rooms opened in Okinawa. With the additions, NHJC now operates 17 hotels in Japan.

Dear Shareholders,

On behalf of the Board of Directors of IPC Corporation Ltd ("IPC" or "the Group"), I am pleased to present our annual report for the financial year ended 31 December 2021 ("FY2021").

We are now into the third year of the COVID-19 pandemic, which continues to upend lives, businesses and leaving many economies battered. The global economy in 2021 was recovering from the low base in 2020 due to the support from governments and central banks worldwide. However, recovery remains uneven across countries and sectors, especially in hardest-hit sectors such as hospitality. Travel restrictions continue to be prevalent for the majority of 2021, with the rapid spread of COVID-19 variants such as Delta & Omicron have disrupted the possibility of mass travel. Subsequently, the Group's financial performance remained subdued in FY2021 over the pandemic's persistent effect.

Financial Review

For FY2021, the Group reported revenue of S$4.170 million compared to S$5.412 million for FY2020, a decrease of 22.9%. The decrease was mainly due to a reduction in revenue from the sale of properties from FY2020 of S$3.516 million to S$1.757 million in FY2021. However, an increase of 26.7% in hotel management revenue from FY2020 of S$1.896 million to FY2021 of S$2.402 million has resulted in the Group's gross loss to decrease to S$ 0.518 million in FY2021 as compared to FY2020 of S$1.070 million.

During the period under review, the Group reported other losses of S$4.055 million for FY2021 compared to losses of S$23.248 million for FY2020. This were largely due to a reduction in fair value loss on financial assets from S$18.568 million to S$2.986 million for FY2020 and FY2021 respectively, and a decrease in the write-down on properties developed for sale of S$4.288 million in FY2020 compared to S$0.385 million in FY2021.

Consequently, the Group reported a 68.9% decrease in net operating loss after tax of S$8.848 million for the year as compared to S$28.429 million in FY2020.

Hospitality Business in Japan

NHJC, in which IPC has a convertible preference shares investment, is in the business of hotel management, operation and investment in Japan. In the year under review, despite the ongoing pandemic, NHJC opened two new hotels as part of pre-commitments by the hotel owners. In April 2021, the Group opened Nest Hotel Naha Kumoji, a 120-room hotel located in the centre of Naha City, Okinawa. It is designed to provide the atmosphere of a tropical resort stay for leisure travellers.

Within the same month, NHJC also opened Bespoke Hotel Sapporo, a 125-room hotel located in Hokkaido. The hotel encompasses sleek minimalism and Scandinavian interiors to present a refined space to stay. It also employs a smart check-in system which was implemented in April 2021 to speed up the process and reduce risk of infection exposure. This system is now in usage within all the hotels under NHJC for the customers' safety and convenience.

On 15 March 2022, one hotel in the pipeline that was delayed due to the pandemic opened. The hotel, Nest Hotel Naha Nishi (West) in Okinawa has 143 rooms and is within 10 minutes proximity to the Naminoue beach and Asahibashi urban monorail.

The total number of hotels under NHJC's management was reduced from 18 to 17 due to the closure of Nest HOTEL naha, Okinawa because of the expiration of the fixed-term lease agreement.

There was a cash injection of JPY172.5 million into NHJC on 31 January 2022 from existing shareholders excluding IPC as it has chosen to not participate in this latest round of recapitalisation. As a result, the preference shares of NHJC held by the Group has been reduced from approximately 42.8% to around 37.3% when converted to common shares.

In 2021, Tokyo hosted the Summer Olympics 2020 after it was postponed for a year due to the pandemic outbreak. However, due to a state of emergency which ran throughout the event, the Olympics was held without spectators. While this has proven to be another blow to the hospitality sector in need of a positive catalyst, this decision was essential to contain the spread of the highly contagious Delta COVID-19 variant from spreading.

Japan has also banned foreign nationals from entering Japan until the end of February 2022, to safeguard against the new variants. The domestic travel campaign "Go To Travel", which cuts the cost of local accommodation and travel packages for residents in Japan has also been suspended due to the state of the COVID-19 infections without a clear restart date.

Due to the ever-changing COVID-19 situation and restrictions, we are unable to accurately predict a recovery of business to pre-covid levels.

Hospitality Business in China

The performance in China in 2021 as compared to 2020 has improved due to some recovery of domestic travel. However, with sporadic spike of new infections, China continues to impose border restrictions and coupled with a strict "zero COVID-19" policy, recovery of China's travel industry is unlikely to recover to pre-COVID levels in the foreseeable future.

Notwithstanding the improved operating performance of Grand nest HOTEL zhuhai in the 3rd quarter of 2021 as compared with the same period of 2020, the last quarter of FY2021 was hit by the re-emergence of COVID-19 cases in different parts of China. Consequently, reservations on MICE events at the Group's facilities were cancelled.

In the beginning of 2022, due to COVID-19 positive cases in Zhongshan, a neighbouring city of Zhuhai, and NanPing district of Zhuhai, officials in the Guangdong Province have imposed tightened restrictions on Zhuhai[1] . These restrictions came two weeks before the Chinese New Year, and has already affected the Group's business in Zhuhai, the Grand nest HOTEL zhuhai due to the cancellation of hotel reservations and MICE events.

With a new COVID-19 variant "Omicron" that is more infectious and easily spread, many parts of China including Zhuhai are facing the spread of the new variant and the Group expects another challenging year for the business of Grand nest HOTEL zhuhai due to strict social distancing and lockdown measures in China, particularly in the 1st half of FY2022.

Looking Ahead

The pandemic has taken a hold on our business and its investment in Japan, but the ongoing spike of infections from Omicron has put a damper on the recovery effects for the near future until travel is safer and widespread.

The Group will stay focused on mitigating the negative impact resulting from the pandemic on its operations and business through prudent management of costs and keeping the hotels ready for the eventual recovery.

Appreciation

In view of the challenging operating environment, all the directors have voluntarily taken a 20% reduction in their remuneration for the period under review. This is the 2nd consecutive year that the directors have done so. I would like to thank the Board of Directors for their continued sincerity to relieve the Group's financial commitment and their invaluable contribution to the Group during this unprecedented time.

In closing, I would also like to round up the year 2021 by thanking all our colleagues, shareholders and business partners for their resilience, support and efforts in this difficult time. We will be living with the effects of the pandemic for some time to come but I am confident that being led by a strong and experienced management, the Group will be able to emerge stronger from the pandemic.

Ngiam Mia Je Patrick
Chairman & Chief Executive Officer

[1] https://www.scmp.com/news/china/science/article/3163374/chinese-city-zhuhai-coronavirus-mass-testing-mode-after

OPERATIONS REVIEW

In FY2021, the Group's operations and working environment remained challenging fuelled by new variants and restrictions arising from the ongoing COVID-19 pandemic. The Group's Grand nest HOTEL zhuhai, China, enjoyed an improved operating performance in the third quarter of 2021 as compared to the same period in 2020. However, in the last quarter of 2021, business was impacted by the re-emergence of a new variant of COVID-19 which resulted in tightened travel restrictions and the cancellation of MICE events in Zhuhai that has continued into 2022.

During the year under review, NHJC added two new hotels to its existing portfolio under its management in Japan while closing one hotel. On 15 March 2022, one hotel in the pipeline that was delayed due to the pandemic opened, bringing the total number of hotels under NHJC's management to 17. The changes in portfolio includes additions of Nest Hotel Naha Kumoji in Naha City, Okinawa, Bespoke Hotel Sapporo in Hokkaido, Nest Hotel Naha Nishi (West) in Okinawa and the closure of Nest HOTEL naha, Okinawa because of the expiration of its fixed-term lease agreement. The Nest Hotel Naha Kumoji has 120 rooms, Bespoke Hotel Sapporo has 125 rooms, Nest Hotel Naha Nishi (West) has 143 rooms.

While NHJC has no new hotels in the pipeline, the Group will continue to explore opportunities to continue solidifying its place in the market through expansion.

Income Statement Highlights

With global travel yet to recover to pre-pandemic levels, the Group put in place cost cutting measures as part of prudent management for the period. For the 2nd consecutive year, all the directors have voluntarily taken a reduction of 20% of their renumeration. Administrative costs have reduced slightly with these efforts, in spite of rising cost pressures over marketing costs and administrative expenses incurred in operations.

For FY2021, the Group reported revenue of S$4.170 million compared to S$5.412 million for FY2020. The decrease was mainly due to a reduction in revenue from the sale of properties which decreased to S$1.757 million in FY2021 compared to S$3.516 million in FY2020. The decrease in revenue was partially offset by an increase of 26.7% in hotel management revenue from S$1.896 million to S$2.402 million in FY2021.

Despite a decrease in revenue, the Group recorded a decrease in a gross loss to S$0.518 million for FY2021 compared to a gross loss of S$1.070 million for FY2020. This is the result of prudent cost management resulting in a decrease in cost of sales by 27.7% in FY2021.

The Group also reported other losses of S$4.055 million for FY2021 compared to losses of S$23.248 million for FY2020. The significant difference was largely due to a reduction in fair value loss on financial assets which was S$2.986 million in FY2021, down from the previous year's S$18.568 million, and a decrease in the write-down on properties developed for sale which was S$0.385 million in FY2021 from the previous year's S$4.288 million.

The Group has engaged independent valuers to perform valuations for the financial year ended 31 December 2021 to determine the fair value of the financial assets, at FVPL, the net realisable values and recoverable amounts of the property-related assets.

Distribution and marketing expenses increased by 30.8% to S$0.331 million while administrative expenses reduced slightly by 0.7% to S$3.744 million in FY2021. The increase was mainly due to more marketing cost and stable administrative expense incurred in the operations of Zhuhai, China and Singapore.

All in all, the Group reported a 70.1% decrease in net loss before tax of S$8.465 million (FY2020: S$28.292 million) and a loss after tax of S$8.848 million for FY2021 (FY2020: S$28.429 million).

Balance Sheet Highlights

The Group's cash and cash equivalents as of 31 December 2021 decreased to S$3.758 million from S$8.099 million from the preceding year over usage in operating activities and repayment of borrowings.

Total borrowings decreased from S$8.856 million as at 31 December 2020 to S$4.782 million as at 31 December 2021 as the Group repaid reasonable amount of borrowings in 2021.

Other Operational Updates

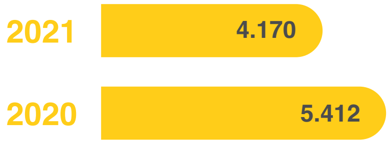
NHJC received a cash injection of JPY172.5 million on 31 January 2022 from existing shareholders excluding IPC as the Group decided not to participate in the recapitalisation. Subsequently, the stake of IPC's preferred shares reduced from 42.8% to approximately 37.3% of NHJC when converted into common shares.

As Omicron is raging through many parts of the world, China has not been spared as well. Many parts of the country, including Zhuhai are adversely affected and thus the Group expects another challenging year for the business of its Grand nest HOTEL zhuhai, particularly in the first half of 2022 as China continues to implement strict social distancing and lockdown measures.

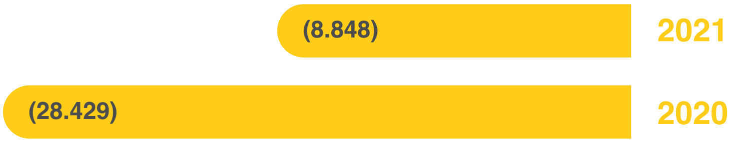
The Group is monitoring the dynamic situation in the industry closely and will continue to focus with its best efforts to ensure the impact of the pandemic is minimized on its business and operations.

FINANCIAL HIGHLIGHTS

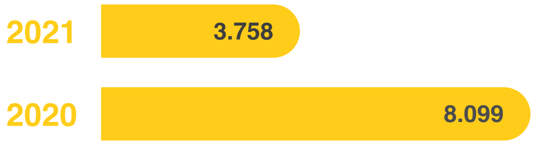
Total Sales (S$ million)



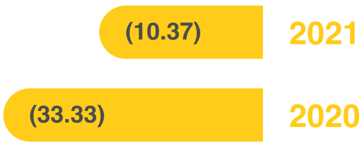
Net Profit/(Loss) After Tax Attributable To Equity Holders Of The Company (S$ million)



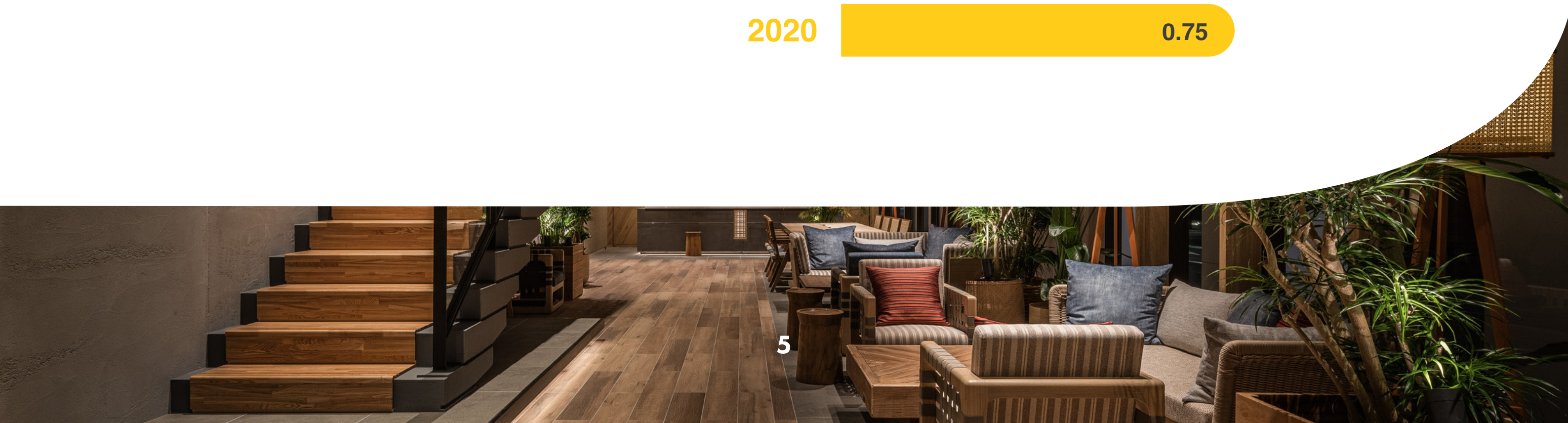
Cash And Cash Equivalents (S$ million)



Earnings/(Losses) Per Share (S$ cents)



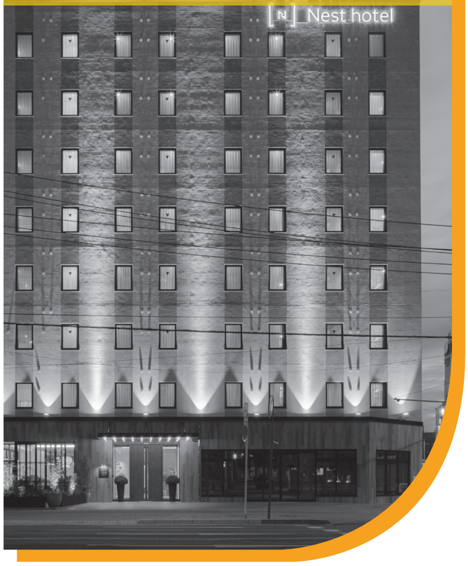
Net Asset Value Per Ordinary Share (S$)



NEST HOTEL | Nest Hotel
Naha Nishi (West), Okinawa

NEST HOTEL | Nest Hotel
Naha Kumoji, Okinawa

NEST HOTEL | Nest Hotel
Hiroshima Station, Hiroshima



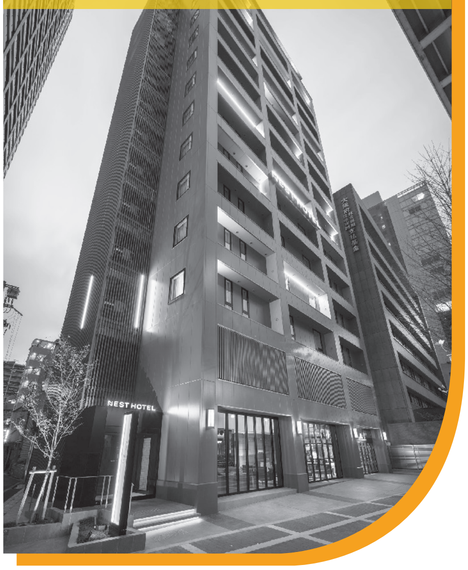
NEST HOTEL | Nest Hotel
Hiroshima Hatchobori, Hiroshima

NEST HOTEL | Nest Hotel
Kyoto Shijokarasuma, Kyoto

NEST HOTEL | Nest Hotel
Tokyo Hanzomon, Tokyo

NEST HOTEL | Nest Hotel
Hakata Station, Fukuoka

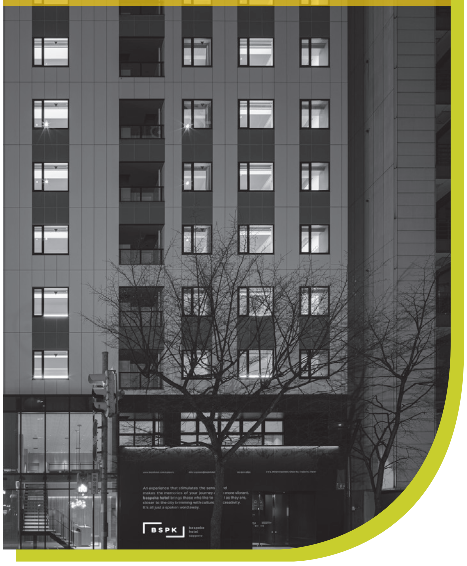
NEST HOTEL | Nest Hotel
Osaka Umeda, Osaka



TISSAGE HOTEL | Tissage Hotel
Naha by Nest, Naha

BSPK

bespoke hotel
sapporo, Sapporo



BSPK

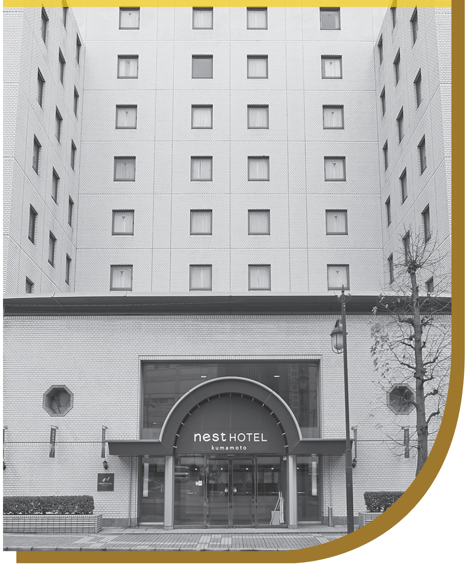
bespoke hotel
shinjuku, Tokyo

BSPK

bespoke hotel
shinsaibashi, Osaka

nest HOTEL

nest HOTEL
kumamoto, Kumamoto



nest HOTEL

nest HOTEL
sapporo odori, Sapporo

nest HOTEL

nest HOTEL
sapporo ekimae, Sapporo

nest HOTEL

nest HOTEL
osaka shinsaibashi, Osaka

nest HOTEL

nest HOTEL
matsuyama, Matsuyama

Grand nest HOTEL

Grand nest HOTEL
zhuhai, China

SUSTAINABILITY POLICIES AND OBJECTIVES

The Group is committed to its sustainability efforts in addressing Environmental, Social and Governance ("ESG") factors that are material to its business. We shall consider ESG factors material to the Group and our key stakeholders in the formulation of the Group's strategy and work towards building a strong and sustainable business that will create value for all.

COMMITMENT TO A RESPONSIBLE BUSINESS

Our commitment to serve our guests, associates, the environment and communities is an important part of our company culture and is integrated into how we do business. We strive to conduct our business ethically, with integrity, honesty, fairness, transparency and non-tolerance of anti-competitive behaviour or activities, in building a sustainable business that delivers long-term value and growth to all our stakeholders.

COMMITMENT TO OUR ENVIRONMENT

We are committed to environmental protection and sustainability. We strive to minimise our properties' operational impact on the environment through recycling and resource conservation, comply with all applicable environmental legislation and follow best environmental practices.

COMMITMENT TO CUSTOMER PRIVACY

We respect our guests' privacy and are committed to treat our guests' personal information safely, respectfully and fairly. We shall explain what personal information is to be collected, only collect information that is essential for use to serve the guest and if the law requires us to do so; and take reasonable precautions to protect the security of the information collected.

COMMITMENT TO OUR GUEST

We are committed to providing our guests with friendly, courteous, consistent and efficient service, listen to their feedback to improve our service and aspire to create a memorable experience for our guest; this will enhance our brand loyalty and with positive guest experience, it will resonate far beyond the duration of their stay with us.

COMMITMENT TO CODE OF CONDUCT

Our values and principles define who we are and how we do business. We believe that acting responsibly and ethically, with integrity, honesty and fairness are important elements in conducting our business. These include non-tolerance of workplace harassment, abuse, violence, discrimination, bribery, solicitation of personal favours and any activities that is deemed illegal.

COMMITMENT TO OCCUPATIONAL HEALTH AND SAFETY

As a caring host, it is our nature to care and ensure the health and safety for all who stay, visit and work at our properties. We are committed to providing and maintaining a work environment that is safe and ensure the conduct of the business does not endanger those who stay, visit and work at our properties.

COMMITMENT TO OUR PEOPLE

A well-trained and professional workforce is key to ensure our business continuity. We believe in employing and retaining talented people; and providing them with quality training so as to be able to deliver top-notch quality service to our guests. We are committed to the training and education of our employees and provide them with opportunities to develop personally and professionally.

The company shall publish its sustainability report by end of May 2022.

BOARD OF DIRECTORS

NGIAM MIA JE PATRICK

Ngiam Mia Je Patrick is the Chairman and CEO of IPC. He has served on IPC's board of directors since 16 October 1992. He is also the Chairman and co-founder of Essex Investment and its group of companies ("Essex"). Patrick, graduated in Electronics Engineering with first class honours, is an acknowledged entrepreneur in Singapore and has received many accolades. In 1990, he was awarded the inaugural KPMG High-Tech Entrepreneur Award. Other awards include the DHL & Singapore Press Holdings Singapore Business Award for Businessman of the Year in 1994 and the Chevalier De L'Ordre National Du Merite conferred by Le President De La Republique Francaise in 1996. His last re-election to the Board was on 25 June 2020.

NGIAM MIA KIAT BENJAMIN

Ngiam Mia Kiat Benjamin is the Managing Director of IPC. He has served on IPC's board of directors since 16 October 1992. He is also the co-founder of Essex. He has a Bachelor of Science in Electronics Engineering and graduated with first class honours from the University of Essex (UK). His last re-election to the Board was on 26 April 2019.

LAUW HUI KIAN

Lauw Hui Kian is the Finance and Administration Director of IPC. She has served on IPC's board of directors since 8 May 1985. She graduated from the University of Essex (UK) with a Bachelor of Arts in Mathematical Economics with second class honours. Prior to joining IPC, she was the head of the finance department at Essex. Her last re-election to the Board was on 29 April 2021.

NGIAM MIA HAI BERNARD

Ngiam Mia Hai Bernard is the Executive Director of IPC and has served on IPC's board of directors since 8 May 1985. He graduated from the National University of Singapore with a Bachelor of Business Administration. His last re-election to the Board was on 25 June 2020.

NGIAM MIA HONG ALFRED

Ngiam Mia Hong Alfred is the Executive Director of IPC and has served on IPC's board of directors since 10 October 1991. He graduated from the University of Waterloo, Canada with a Bachelor of Mathematics in Computer Science and Statistics, Dean's Honour Roll. His last re-election to the Board was on 26 April 2019.

LEE JOO HAI

Lee Joo Hai is an Independent Director of IPC. He was first appointed to IPC's board of directors on 16 December 1996 and retired on 26 April 2017. He re-joined IPC's board of directors on 1 October 2018 and is the Chairman of Audit Committee. He is a Chartered Accountant of Singapore and serves on the board of companies listed in Singapore, New Zealand and Hong Kong. His experience in accounting and auditing spans more than 30 years. His last re-election to the Board was on 26 April 2019.

TAN SIN HUAT, DENNIS

Tan Sin Huat, Dennis is an Independent Director of IPC. He was appointed to IPC's board of directors on 19 December 2018 and is the Chairman of Remuneration Committee. He also has served on the boards of companies listed in Singapore for more than 12 years. Mr Tan is the founder of Innospaces Consulting Pte. Ltd, a consulting firm that deals with organizational and leadership development. He coaches and trains leaders locally and internationally. He is a member of the Singapore Institute of Directors since August 2007 and a founding member of Board Certified Coach, the centre for credentialing & education since 2012. He has provided leadership in the Public and private sectors for more than 30 years. Mr Tan is a Council Member of RHT G.R.A.C.E. Institute since 2018. It is a social enterprise that seeks to establish a culture and creed of raising consciousness, encouraging ethical leadership and growing a community of values-aligned mindfully ethical leaders, professionals and businesses. His last re-election to the Board was on 26 April 2019.

TAN CHER LIANG

Tan Cher Liang is an Independent Director of IPC. He was appointed to IPC's board of directors on 5 March 2021 and is the Lead Independent Director and the Chairman of the Nominating Committee. He has more than 40 years of experience in corporate advisory and general management. Currently, he also serves on the boards of various public and private companies in Singapore including being an Independent Non-Executive Chairman of Jumbo Group Limited and Vibrant Group Limited, and an Independent Director of Food Empire Holdings Limited, Kingsmen Creatives Ltd, and Wilton Resources Corporation Limited. He is also a Trustee of Kwan Im Thong Hood Cho Temple and a Director of D S Lee Foundation, EtonHouse Community Fund and Children's Charities Association. He is a qualified financial professional from the Association of Chartered Certified Accountants of the United Kingdom. He was conferred the Public Service Medal (PBM) in 1996. His last re-election to the Board was on 29 April 2021.

INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION /RE-APPOINTMENT

-APPENDIX 7.4.1 OF THE LISTING MANUAL OF THE SGX-ST

Pursuant to Rule 720(6) of the Listing Rules of the SGX-ST ("Listing Rules"), the following is the information of the Directors seeking re-election/re-appointment as set out in Appendix 7.4.1 of the Listing Rules:

Name of Director	Mr Ngiam Mia Hong Alfred ("Mr Alfred Ngiam")	Mr Lee Joo Hai ("Mr Lee")
Date of Appointment	10 October 1991	16 December 1996* *Mr Lee retired as an Independent Director of the Company on 26 April 2017. He re-joined the Company as an Independent Director on 1 October 2018.
Date of last re-appointment (if applicable)	26 April 2019	26 April 2019
Age	58	66
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Alfred Ngiam as Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Alfred Ngiam's credentials, experience and overall contribution since his appointment as a Director of the Company.	The re-election of Mr Lee as Independent Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Lee's credentials, experience and overall contribution since his appointment as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Alfred Ngiam is the Executive Director (Business Development & IT Solutions), responsible for all aspects of the information technology solutions of the Group and engages in business development/investment activities.	Non Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director.	Independent Director, Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee.
Professional qualifications	Bachelor of Mathematics in Computer Science and Statistics	Member of the Institute of Singapore Chartered Accountants and Institute of Chartered Accountants in England and Wales.
Working experience and occupation(s) during the past 10 years	Executive Director of IPC Corporation Ltd since 10 October 1991.	Mr Lee was a partner of BDO LLP since 1986 until his retirement from the firm in 2012.
Shareholding interest in the listed issuer and its subsidiaries	1,683,529 shares held in IPC Corporation Ltd.	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Alfred Ngiam is the brother of Mr Ngiam Mia Je Patrick, Mr Benjamin Ngiam and Mr Ngiam Mia Hai Bernard, all of which are Executive Directors of the Company. Ms Lauw Hui Kian, an Executive Director of the Company, is the spouse of Mr Ngiam Mia Je Patrick. Mr Ngiam Mia Je Patrick, Mr Benjamin Ngiam and Ms Lauw Hui Kian are also the substantial shareholders of the Company.	Nil
Conflict of interest (including any competing business)	Nil	Nil

INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION /RE-APPOINTMENT

-APPENDIX 7.4.1 OF THE LISTING MANUAL OF THE SGX-ST

Name of Director	Mr Ngiam Mia Hong Alfred ("Mr Alfred Ngiam")	Mr Lee Joo Hai ("Mr Lee")
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Past (for the last 5 years)	Past Directorship: • App Tutti, Limited • BIZGO Holdings Limited	Past Directorship: • IPC Corporation Ltd • Raffles United Holdings Limited • SinoCloud Group Limited
Present	Present Directorships: • Viaworldnet.com (Asia) Pte Ltd	Present Directorships: • Agria Corporation • Agria (Singapore) Pte. Ltd. • Agria Asia Investment Limited • Hyflux Ltd • Lung Kee (Bermuda) Holdings Limited • PGG Wrightson Limited

INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION /RE-APPOINTMENT

-APPENDIX 7.4.1 OF THE LISTING MANUAL OF THE SGX-ST

Pursuant to Rule 720(6) of the Listing Rules of the SGX-ST ("Listing Rules"), the following is the information of the Directors seeking re-election/re-appointment as set out in Appendix 7.4.1 of the Listing Rules:

Name of Director	Mr Tan Sin Huat, Dennis ("Mr Tan")	Mr Ngiam Mia Kiat Benjamin ("Mr Benjamin Ngiam")
Date of Appointment	19 December 2018	16 October 1992
Date of last re-appointment (if applicable)	26 April 2019	26 April 2019
Age	59	65
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Tan as Independent Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Tan's credentials, experience and overall contribution since he was appointed as a Director of the Company.	The re-appointment of Mr Benjamin Ngiam as Managing Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr Benjamin Ngiam's credentials, experience and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non Executive	Executive. Mr Benjamin Ngiam is the Managing Director, responsible for the operations of the Group.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Remuneration Committee and a member of the Audit Committee.	Managing Director.
Professional qualifications	• Degree of Bachelor of Arts • Master in Business Administration • Graduate Diploma in Organizational Learning • Postgraduate Certificate in Executive Coaching	Bachelor of Science in Electronics Engineering
Working experience and occupation(s) during the past 10 years	1. Executive Director of Innospaces Consulting Pte Ltd from July 2007 to present. 2. Executive Coach affiliated to the Centre of Creative Leadership from 2005 to present. 3. Executive Coach affiliated to the Singapore Armed Forces' Centre for Leadership Development from 2007 to present. 4. Executive Director of RHT Human Capital Institute Pte Ltd from October 2015 to March 2021. 5. Executive Director of RHT Talentchest Pte Ltd from December 2015 to March 2021. 6. Executive Director/CEO of P99 Holdings Ltd from August 2011 to October 2017.	Managing Director of IPC Corporation Ltd since 16 October 1992.
Shareholding interest in the listed issuer and its subsidiaries	Nil	6,053,681 shares held in IPC Corporation Ltd and deemed interest in 7,558,114 shares held by Essex Investment (Singapore) Pte Ltd by virtue of Section 7 of the Companies Act 1967 of Singapore.

INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION /RE-APPOINTMENT

-APPENDIX 7.4.1 OF THE LISTING MANUAL OF THE SGX-ST

Name of Director	Mr Tan Sin Huat, Dennis ("Mr Tan")	Mr Ngiam Mia Kiat Benjamin ("Mr Benjamin Ngiam")
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Mr Benjamin Ngiam is the brother of Mr Ngiam Mia Je Patrick, Mr Alfred Ngiam and Mr Ngiam Mia Hai Bernard, all of which are Executive Directors of the Company. Ms Lauw Hui Kian, an Executive Director of the Company is the spouse of Mr Ngiam Mia Je Patrick. Mr Ngiam Mia Je Patrick, Mr Benjamin Ngiam and Ms Lauw Hui Kian are also the substantial shareholders of the Company.
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Past (for the last 5 years)	Past Directorship: • P99 Holdings Ltd • Chasen Holdings Ltd • Renewable Energy Asia Group Ltd • Solis Holdings Limited (listed on Hong Kong Stock Exchange) • RHT Human Capital Institute Pte Ltd • RHT Talentchest Pte Ltd	Past Directorship: • Nest Hotel Japan Corporation
Present	Present Directorships: • Innospaces Consulting Pte Ltd	Present Directorships: • Essex Investment (Singapore) Pte Ltd • Essex Holdings Ltd • Zhuhai Essex Pharmaceutical Co. Ltd • Zhuhai IPC Property Development Co. Ltd • Thinsoft Pte Ltd • IPC Peripheral (Pte) Ltd • IPC Information And Communication (Pte) Ltd • IPC Singapore Pte Ltd • Oday Pte Ltd (f.k.a. Essex Electronics (Singapore) Pte Ltd) • e-IPC (HK) Ltd • Corex Systems (S) Pte Ltd • Corex Technology (S) Pte Ltd (In compulsory liquidation) • Hagenuk Pte Ltd • Essex Credit Pte Ltd

INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION /RE-APPOINTMENT

-APPENDIX 7.4.1 OF THE LISTING MANUAL OF THE SGX-ST

Information required

Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.

(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?

(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?

(c) Whether there is any unsatisfied judgment against him?

(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?

(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?

(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?

(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?

(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?

(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?

(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?

(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

Mr Alfred Ngiam, Mr Lee, Mr Tan and Mr Benjamin Ngiam have individually given a negative disclosure on each of the above items (a) to (k).

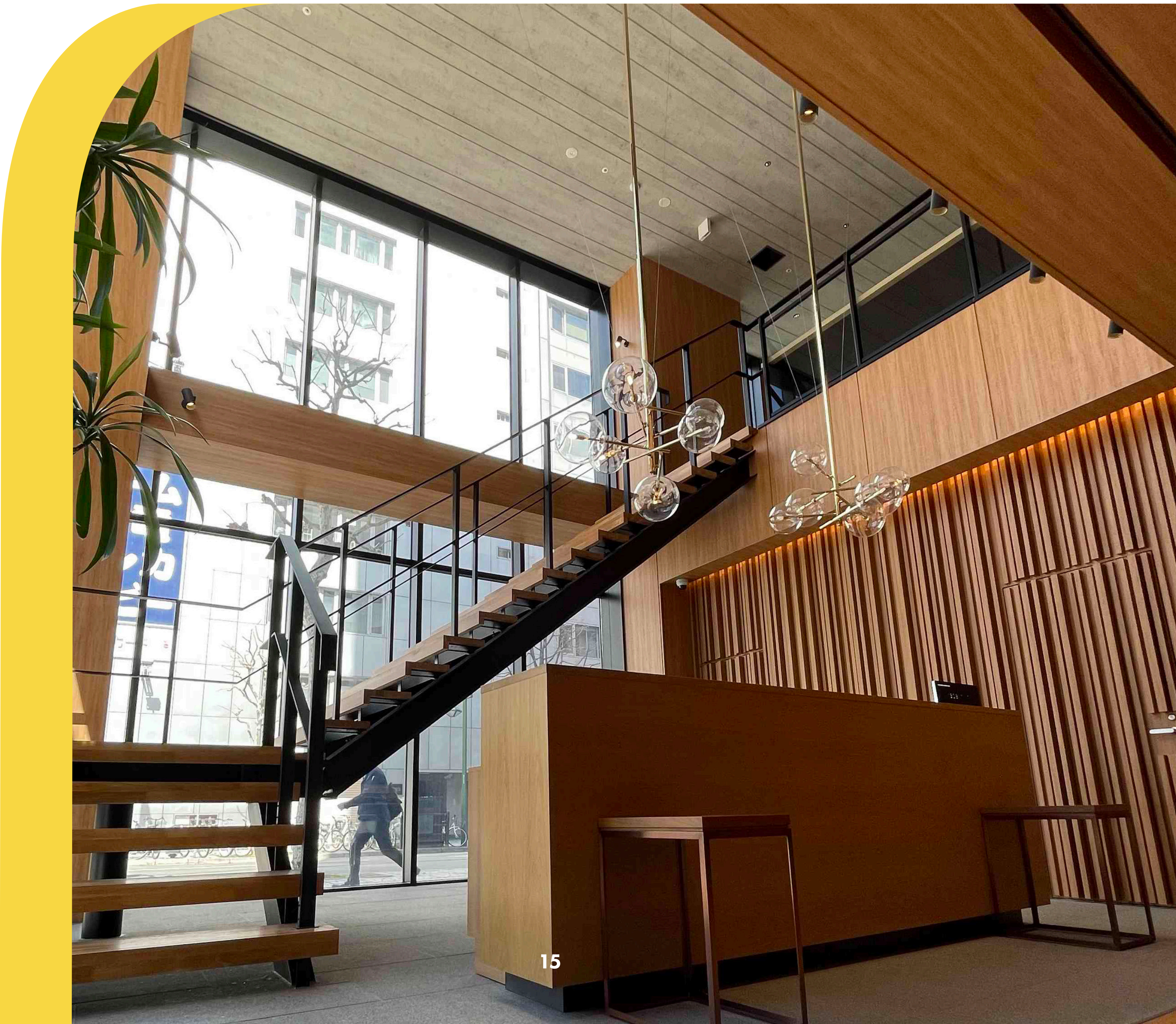
INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION /RE-APPOINTMENT

-APPENDIX 7.4.1 OF THE LISTING MANUAL OF THE SGX-ST

Disclosure applicable to the appointment of Director only

Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).

Not applicable for each of Mr Alfred Ngiam, Mr Lee, Mr Tan and Mr Benjamin Ngiam as this is a re-election/re-appointment of Director.



CORPORATE INFORMATION

BOARD OF DIRECTORS
Ngiam Mia Je Patrick
Chairman & Chief Executive Officer

Ngiam Mia Kiat Benjamin
Managing Director

Lauw Hui Kian
Executive Director - Finance & Administration

Ngiam Mia Hai Bernard
Executive Director - Marketing & Corporate Communications, Business Development

Ngiam Mia Hong Alfred
Executive Director - Business Development & IT Solutions

Tan Cher Liang
Lead Independent Director

Lee Joo Hai
Independent Director

Tan Sin Huat, Dennis
Independent Director

Audit Committee
Lee Joo Hai
(Chairman)

Tan Sin Huat, Dennis

Tan Cher Liang

Company Secretary
Ngiam Mia Hai Bernard

Company Registration No.
198501057M

Nominating Committee
Tan Cher Liang
(Chairman)

Lee Joo Hai

Ngiam Mia Je Patrick
(Alternate – Ngiam Mia Kiat Benjamin)

Remuneration Committee
Tan Sin Huat, Dennis
(Chairman)

Lee Joo Hai

Tan Cher Liang

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23 Tai Seng Drive
#06-00
Singapore 535224
Tel: 6744 2688 Fax: 6743 0691
www.ipc.com.sg

Share Registrar's Office
Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue, #14-07
Keppel Bay Tower,
Singapore 098632
Tel: 65365355 Fax: 65361360

Auditors
Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

Audit Partner
Ng Boon Heng
(Date of appointment: since financial year ended 31 December 2021)

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2021

The Board of Directors (the "Board") is committed in ensuring that high standards of corporate governance are practised throughout IPC Corporation Ltd (the "Company") and its subsidiaries (the "Group"), as a fundamental part of its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

This report describes the Group's corporate governance practices and structures that were in place during the financial year ended 31 December 2021 ("FY2021"), with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the "Code"), and as applicable, the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and the Singapore Companies Act.

The Board confirms the Group has adhered to all principles set out in the Code as set out below. In areas where the Group deviates from the provisions of the Code, explanations are provided.

This Corporate Governance Report is divided into five main sections, namely:

(A) Board Matters

(B) Remuneration Matters

(C) Accountability and Audit

(D) Shareholder Rights and Engagement

(E) Managing Stakeholder Relationships

(A) BOARD MATTERS

The Board of Directors as at the report date comprises:

Mr Ngiam Mia Je Patrick (Chairman and Chief Executive Officer)
Mr Ngiam Mia Kiat Benjamin (Managing Director)
Ms Lauw Hui Kian (Executive Director)
Mr Ngiam Mia Hai Bernard (Executive Director)
Mr Ngiam Mia Hong Alfred (Executive Director)
Mr Lee Joo Hai (Independent Director)
Mr Tan Sin Huat, Dennis (Independent Director)
Mr Tan Cher Liang (Lead Independent Director)

A description of the background of each director is presented in the "Board of Directors" section of this annual report.

The Board's Conduct Of Affairs

Principle 1: *The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.*

The Board objectively makes decisions in the best interests of the Group for long-term performance and success of the Group. The Board has clear policies and procedures for dealing with conflicts of interest. Each director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect in relation to the Group as soon as practicable after relevant facts have come to his/her knowledge. On an annual basis, each director is also required to submit details of his/her associates for the purpose of monitoring interested persons transactions. Where a director has a conflict or potential conflict of interest in relation to any matter, he/she should immediately declare his/her interest when the conflict-related matter is discussed, unless the Board is of the opinion that his/her participant is necessary to enhance the efficacy of such discussion. Nonetheless, he/she is abstained from voting in relation to the conflict-related matter. Where the director faces a conflict of interest, he or she discloses and recuses himself or herself from meetings and decisions involving the issue.

Matters requiring board approval has been clearly communicated to Management in writing and is set out further in this report, including those matters involving a conflict of interest for substantial shareholder or director, half-year and full-year results, major acquisitions and disposals of assets, acquisitions and disposals of assets outside the ordinary course of business, corporate or financial restructuring and share issuances, dividends and other returns to shareholders.

The Board has delegated specific responsibilities to the Board Committees, namely the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC") which are formed with clear written terms and reference setting out the compositions, authorities and duties. Information on each of the three Committees is set out further in this report. The Board accepts that while these Board Committees have the delegated authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2021

(A) BOARD MATTERS *(continued)*

The Board's Conduct Of Affairs *(continued)*

The Company conducts an orientation programme for new directors to familiarise them with the business activities of the Group, its strategic direction and corporate governance practices. The Company also ensures that for any director who has had no prior experience as a director of a listed company to undergo mandatory training pursuant to Listing Rule 201(5)(a) in the roles and responsibilities of a listed company director.

For FY2021, directors were briefed in areas such as updates on Listing Rules of the SGX-ST, changes to accounting standards and regulatory developments. Relevant news releases or articles issued by the SGX-ST and the Accounting and Corporate Regulatory Authority of Singapore were also circulated to the Board. Directors are also encouraged to attend relevant courses conducted by Singapore Institute of Directors, Singapore Exchange Limited, professional firms, business and financial institutions and consultants. In 2021, certain directors had attended seminars conducted by Singapore Institute of Directors, Singapore Exchange Limited or professional firms.

All directors are also updated regularly concerning any changes in the Group's policies and procedures relating to issues pertaining to governance, disclosure of interests in securities and restrictions on disclosure of price sensitive information.

The Board conducts at least two (2) meetings in a year, and ad-hoc meetings are convened as and when required. The Company's constitution (the "Constitution") allows a board meeting to be conducted by way of tele-conference or other means of communication. The attendance of directors at meetings of the Board, Board Committees and shareholders, as well as the frequency of such meetings for FY2021 are disclosed below:

	Board of Directors			Audit Committee			Remuneration Committee			Nominating Committee			Annual General Meeting		
	Number of meetings														
Name	Position	Held	Attended	Position	Held	Attended	Position	Held	Attended	Position	Held	Attended	Position	Held	Attended
Ngiam Mia Je Patrick	C	2	2	-	2	2#	-	1	1#	M	1	1	C	1	1
Ngiam Mia Kiat Benjamin	M	2	2	-	2	2#	-	1	1#	M	1	1#	M	1	1
Lauw Hui Kian	M	2	2	-	2	2#	-	1	1#	-	1	1#	M	1	1
Ngiam Mia Hai Bernard	M	2	2	-	2	2#	-	1	1#	-	1	1#	M	1	1
Ngiam Mia Hong Alfred	M	2	2	-	2	2#	-	1	1#	-	1	1#	M	1	1
Lee Joo Hai	M	2	2	C	2	2	M	1	1	M	1	1	M	1	1
Tan Sin Huat, Dennis	M	2	2	M	2	2	C	1	1	-	1	1#	M	1	1
Tan Cher Liang*	M	2	2	M	2	2	M	1	1	C	1	1	M	1	1
Teo Kiang Kok^	-	-	-	-	-	-	-	-	-	-	-	-	M	1	1

Notes:

 # - By invitation

** - Appointed as an Independent Director with effect from 5 March 2021*

^ – Retired as an Independent Director on 29 April 2021

C – Chairman

M – Member

Complete and adequate information for decision making were provided to the Board timely. Directors can request explanations, briefings or informal discussions on any aspect of the Group's operations or business issues from Management. The Chief Executive Officer ("CEO") will make the necessary arrangements for these briefings, informal discussions or explanations.

Multiple Board Representations

The information on each director's listed company directorships and other principal commitments is presented in the "Board of Directors" and "Directors' Statement" section of this annual report.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2021

(A) BOARD MATTERS *(continued)*

Sufficient Time and Attention by Directors

Although the directors have other listed company board representations and principal commitments, the NC has determined, during the annual assessment of the Board's performance, that the directors have devoted sufficient time and attention to their role as directors and to the affairs of the Group. The NC is of the view that such appointments will not affect the directors' ability to carry out their duties as directors of the Company and therefore, it would not be necessary to prescribe a maximum number of listed company board representations a director may hold. The Board concurs with the view of the NC.

Access to Management

In order to ensure that the Board is able to fulfil its responsibilities, Management provides Board members with regular updates of the financial position of the Company. Monthly reports of the Company's financial performance are provided to the executive directors while quarterly, half-yearly and full-year reports of the Company's financial performance are provided to the Board. However, sensitive matters may be tabled or discussed at Board meetings without any board papers distributed. Analytical reports on the Company are forwarded to the directors on an on-going basis. The directors have also been provided with the telephone numbers and e-mail particulars of the Company's senior management and company secretary to facilitate access.

Access to external advisors

Should directors, whether as a group or individually, need independent professional advice, the Company Secretary will, upon direction by the Board, appoint a suitable professional advisor to render the advice. The cost of such professional advice will be borne by the Company.

Access to the Company Secretary

The Company Secretary or his representative attends and prepares minutes of meetings of the Board, Board Committees and shareholders and is responsible for ensuring that Board procedures are followed. The Company Secretary also periodically updates the Board on relevant regulatory changes affecting the Company.

The Board have separate and independent access to Management and the Company Secretary. The appointment and the removal of the Company Secretary is subject to the approval of the Board.

Board Composition and Guidance

Principle 2: *The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.*

Board Composition and Independent Directors

The Board comprises three (3) independent directors and five (5) executive directors. The independent directors comprise more than one-third of the Board. Currently, there is no alternate director appointed.

The NC and the Board are cognisant of the Code's recommendation for independent directors to make up a majority of the Board where the Chairman is not independent and non-executive directors make up a majority of the Board. Although the Company falls short of the required number of IDs, the Board ensures that decisions at Board level are thoroughly deliberated and made in the best interest of the Company with Independent Directors frequently voicing out their views and challenging the Management's assumptions. The NC and Board also take into account the appointment of lead independent director, refreshed of Independent Directors during FY2020 and specialised functions currently helmed by each of the five (5) executive directors.

Having considered the nature and the scope of the Group's business and the number of Board Committees, the Board considers its present board size of eight (8) members is adequate and appropriate to facilitate effective decision-making. The Board comprises directors who as a group provide a balance and diversity of skills, experience and gender as well as core competencies in accounting and business experience necessary to meet the Group's targets. More details of the directors' experience and core competencies are provided under the "Board of Directors" section in the Annual Report.

Each of the Board members is cognisant of their roles to demonstrate objectivity in their deliberations in the interest of the Company. The appointment of lead independent director ensures that no individual or small group of individuals dominate the Board's decision-making. The Board will review the board composition and the need for additional independent director(s) from time to time depending on the evolvement of the Group's operations.

The independence of each director is reviewed annually by the NC. The NC is of the view that the independent directors of the Company are independent and that no individual or small group of individuals dominate the Board's decision making process. Key information regarding the directors is given in the "Board of Directors" section of the Annual Report.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2021

(A) BOARD MATTERS *(continued)*

Board Composition and Independent Directors *(continued)*

The Board has determined after taking into account the views of the NC, that each independent director, namely Mr Tan Cher Liang, Mr Lee Joo Hai and Mr Tan Sin Huat, Dennis, is independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement.

Mr Lee Joo Hai had served on the Board for more than nine (9) years since his first appointment on 16 December 1996. The NC has conducted a rigorous review of his independence and determined that he has maintained his independence after considering the recommendations set out in the Code. Taking into account the views of the NC, the Board has also reviewed and considered Mr Lee Joo Hai to be independent after having determined that he has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interest of the Company. Mr Lee Joo Hai has throughout his appointment, demonstrated strong independence in character and judgement in the discharge of his responsibilities as director of the Company. He has continued to express individual viewpoints, debated issues and objectively challenged the Management. He has sought clarification and amplification as he deemed required.

The NC (with Mr Lee Joo Hai abstaining from deliberation) and the Board have assessed the independence of Mr Lee Joo Hai using a holistic approach and taking into account his contributions in terms of experience, expertise, professionalism and independent judgement in his engagement with all relevant parties, rather than solely and arbitrarily on basis of length of service alone.

Having performed a rigorous review of his independence, the NC (with Mr Lee Joo Hai abstaining from deliberation) and the Board are of the view that Mr Lee Joo Hai continue to be independent notwithstanding his length of service, because he has consistently demonstrated strong independence of judgment in discharging his responsibilities. His length of service does not in any way interfere with his exercise of independent judgement nor hinder his ability to act in the best interests of the Company. Additionally, he has fulfilled the definition of Independent Directors of the SGX-ST Listing Rules and the Code. The Board trust that he is able to continue to discharge his duties independently.

Pursuant to Rule 210(5)(d)(iii) of the SGX-ST Listing Rules which has came into effect on 1 January 2022, Mr Lee Joo Hai who has served as Board members for a cumulative period of more than nine (9) years had sought approval from shareholders at the last AGM for his continued appointment as independent director via separate resolutions voted upon by (i) all shareholders and (ii) shareholders, excluding the directors and the chief executive officer of the Company, and associates of such directors and chief executive officer. Shareholders had passed the Two-Tier Voting Resolutions (the "Ordinary Resolutions") at the last AGM for the continued appointment of Mr Lee Joo Hai as an Independent Director of the Company and he shall continue to be an Independent Director of the Company until the earlier of: (i) the retirement or resignation of Mr Lee Joo Hai as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of these Ordinary Resolutions.

Each of the independent directors had abstained from the deliberations and decisions on his own independence.

Non-executive directors' views and opinions provide alternate perspectives to the Group's business. The non-executive directors exercise objective judgement on the Group's affairs independently from Management. Non-executive directors have reviewed the performance of Management in meeting agreed goals and objectives and monitored the reporting of the performance.

Lead by the Lead Independent Director, the non-executive directors are free to meet regularly without the presence of Management and provide feedback to the Board Chairman as appropriate. The Company would make available its premises for use by non-executive directors at any time for them to meet.

Chairman and Chief Executive Officer

Principle 3: *There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

The positions of Chairman and CEO are held by Mr Ngiam Mia Je Patrick, who is an Executive Director of the Company. The Chairman and CEO is the most senior executive in the Company and bears executive responsibility for the Company's business, as well as for the workings of the Board.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2021

(A) BOARD MATTERS *(continued)*

Chairman and Chief Executive Officer *(continued)*

The Chairman and CEO's roles include:

- setting and implementing the business direction and strategies for the Group;
- leading the Board to ensure the effectiveness on all aspects of its role;
- setting the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issue;
- promoting a culture of openness and debate at the Board;
- ensuring that the directors receive complete, adequate and timely information;
- ensuring effective communication with shareholders;
- encouraging constructive relations within the Board and between the Board and Management;
- facilitating the effective contribution of non-executive directors in particular; and
- promoting high standards of corporate governance.

The Company believes that the independent directors have demonstrated high commitments in their roles as directors and have ensured that there is a good balance of power and authority. Although the roles and responsibilities of the Chairman and the CEO are vested in Mr Ngiam Mia Je Patrick, the current composition of the Board is able to make objective and prudent judgement of the Group's corporate affairs. The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or small group of individuals exercising any considerable concentration of power or influence.

Lead Independent Director

Taking cognisance of the non-separation of the roles of the Chairman and the CEO, the Board had appointed Mr Tan Cher Liang as Lead Independent Director.

The Lead Independent Director would be available to shareholders where they have concerns and for which contact through the normal channels of the Chairman and the CEO or the Finance Director (or equivalent) has failed to resolve or is inappropriate.

Board Membership

Principle 4*: The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.*

There are three (3) members in the NC, a majority of whom, including the NC Chairman, are independent directors.

The members are:

Mr Tan Cher Liang	(Chairman)
Mr Lee Joo Hai	
Mr Ngiam Mia Je Patrick	(Alternate – Ngiam Mia Kiat Benjamin)

Roles and Responsibilities of the Nominating Committee

The NC's principal functions are:

1. review of structure, size and composition of the Board and Board Committees;
2. identifying candidates and reviewing all nominations for the appointment or re-appointment of members of the Board for the purpose of proposing such nominations to the Board for its approval;
3. assessing nominees or candidates for appointment or re-election to the Board, determining whether or not such nominee has the requisite qualifications;
4. deciding how the Board, its Board Committees and Directors' performance may be evaluated and propose objective performance criteria for the Board's approval;
5. assessing the effectiveness of the Board, its Board Committees, and the contribution by each individual director to the effectiveness of the Board;
6. determining annually whether or not a director is independent;
7. assessing the abilities and the adequacy of directors with multiple board representations in carrying out their duties;
8. reviewing board succession plans for directors, in particular, the Chairman and the CEO and members of Key Management personnel; and
9. reviewing training and professional development program for the Board.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2021

(A) BOARD MATTERS *(continued)*

Board Membership *(continued)*

Roles and Responsibilities of the Nominating Committee *(continued)*

FY2021, the NC has besides undertaking the above activities, had adopted the following:

a. put in place formal procedures in evaluating the performance of the Board Committees and each individual director.

Selection, Appointment and Re-appointment of Directors

In the selection and nomination for new directors, the NC taps on the directors' resources for recommendations of potential candidates. External resources may also be sought to source for potential candidates, where necessary. The potential candidates will go through a shortlisting process and thereafter, interviews are set up with the shortlisted candidates for the NC to assess them before a decision is made. In addition, through the NC, the Board ensures that the appointed directors possess core competencies like business experience, knowledge of accounts, audit, finance, legal and background understanding of the industry. The Board, on the recommendation of the NC, appoints new directors where required.

Such new directors must submit themselves for re-election at the next AGM of the Company in accordance with Article 89 of the Company's Constitution. Article 90 of the Company's Constitution requires one-third of the Board to retire by rotation at every AGM.

The NC, in recommending the nomination of any director for re-election, considers the contribution of the director, which includes his qualification, experience, and area of expertise, time and effort devoted to the Group's affairs, attendance and participation at Board and Board Committee meetings.

Mr Lee Joo Hai, Mr Tan Sin Huat, Dennis and Mr Ngiam Mia Hong Alfred are due for retirement by rotation under Article 90 of the Company's Constitution at the forthcoming AGM of the Company. Mr Ngiam Mia Kiat Benjamin is due for retirement pursuant to Rule 720(5) of the Listing Manual of the SGX-ST, which requires that all directors, including executive directors, to submit themselves for re-nomination and re-appointment at least once every three years. The NC has recommended the nomination of Mr Lee Joo Hai, Mr Tan Sin Huat, Dennis, Mr Ngiam Mia Hong Alfred and Mr Ngiam Mia Kiat Benjamin for re-election at the forthcoming AGM.

Each member of the NC shall abstain from voting on any resolutions and/or participating in deliberations of his/her own re-election.

Information regarding the director nominated for re-election, including the information required under Appendix 7.4.1 of the Listing Rules is given in the "Board of Directors" section.

Independence of Directors

The NC is also responsible for determining annually, the independence of directors. In doing so, the NC takes into account the circumstances set forth in the Code and any other salient factors. The Board, after taking into consideration the views of the NC, is of the view that Mr Lee Joo Hai, Mr Tan Sin Huat, Dennis and Mr Tan Cher Liang are independent and that, no individual or small group of individuals dominates the Board's decision-making.

Director's Time Commitments

Although the directors have other listed company board representations and principal commitments, the NC has determined, during the annual assessment of the Board's performance, that the directors have devoted sufficient time and attention to their role as directors and to the affairs of the Group. For re-nomination and re-appointment of directors, the NC takes into consideration the competing time commitments faced by directors and their ability to devote appropriate time and attention to the Company.

Based on the directors' commitments and contributions to the Company, which are also evident in their level of attendance and participation at Board and Committee meetings, the NC and the Board are satisfied that all the directors were able to and have been adequately carrying out their duties as directors of the Company FY2021.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2021

(A) BOARD MATTERS *(continued)*

Board Performance

Principle 5*: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.*

Assessing Board Performance

The NC has put in place a formal evaluation process for the Board Committees and undertook an evaluation of the Board Committees for the financial year ended 31 December 2021.

For the evaluation of the Board's performance, the criteria for the evaluation are in respect of Board composition, procedures, training, strategy and performance. The NC also undertook an evaluation of the Board Committees based on, amongst others, the size, and their performance in relation to discharging their responsibilities as set out in their respective terms of reference. For the evaluation of the performance of each of the individual Director, the criteria include, inter alia, attendance at Board meetings and related activities, participation in Board discussions, ability to make informed business decisions and performance in respect of specific delegated tasks.

The performance criteria will not be changed from year to year unless circumstances deem it necessary for any of the criteria to be changed.

The NC assessed the performance of the Board as a whole, its' Board Committees and the individual directors in respect of FY2021. The Chairman of the NC confers with the Chairman of the Board that the performance of the Board as a whole, its' Board Committees and the individual directors in respect of FY2021 was satisfactory and that all Directors have discharged their duties adequately in FY2021. No external facilitator was used in the evaluation process for FY2021.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: *The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

The RC comprises three (3) members, all of whom are independent directors.

The members are:
Mr Tan Sin Huat, Dennis (Chairman)
Mr Lee Joo Hai
Mr Tan Cher Liang

The RC possesses general knowledge in the field of remuneration and will seek external professional advice, if necessary.

Roles and Responsibilities of the Remuneration Committee

The RC's principal responsibilities are to review and recommend to the Board, a framework of remuneration for the Board and key management personnel and to determine specific remuneration packages and terms of employment for each directors and key management personnel to ensure that the remuneration packages are competitive and sufficient to attract, retain and motivate senior management of the required quality to run the Company successfully.

The RC also reviews the Company's obligations arising in the event of termination of the Executive Directors and key management personnel to ensure that the contracts of service contain fair and reasonable termination clauses which are not overly generous.

Each member of the RC shall abstain from discussions and voting on any resolutions in respect of the assessment of his own remuneration. There were no remuneration consultants engaged by the Company in FY2021.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2021

(B) REMUNERATION MATTERS *(continued)*

Level and Mix of Remuneration

Principle 7: *The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.*

In setting remuneration packages for the executive directors and key management personnel, the Company takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individuals to ensure it is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for long term. The terms of the service contracts of the executive directors and key management personnel, including termination clauses, are not overly generous.

The executive directors and key management personnel's remuneration packages include a variable component which is performance related and other benefits which aim to align with the interest of shareholders and other stakeholders and promoted the long-term success of the Company.

The Independent Non-Executive Directors are paid directors' fees, taking into account factors such as effort and time spent, and their responsibilities. The Non-Executive Directors received a base director's fees. The Independent Non-Executive Directors are not over-compensated to the extent that their independence may be compromised. Directors' fees are recommended by the Board for approval at the Company's AGM.

The executive directors' service contracts had been renewed for a period of five (5) years till 10 April 2026.

Disclosure on Remuneration

Principle 8: *The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

For competitive reasons and due to sensitivity, the Company is not disclosing the remuneration of each individual director. The Company is of the view that the disclosure in bands of S$250,000 would provide a good overview and is informative of the remuneration of the executive directors, who are also the key management personnel. The disclosure by respective bands of remuneration for FY2021 is provided as follows:

	Profit sharing %	Remuneration %	Director's fee %
S$250,000 to S$499,999			
- Ngiam Mia Je Patrick	-	100	-
Below S$250,000			
- Ngiam Mia Kiat Benjamin	-	100	-
- Lauw Hui Kian	-	100	-
- Ngiam Mia Hai Bernard	-	100	-
- Ngiam Mia Hong Alfred	-	100	-
- Lee Joo Hai	-	-	100
- Tan Sin Huat, Dennis	-	-	100
- Tan Cher Liang*	-	-	100
- Teo Kiang Kok#	-	-	100

* - *Appointed as an Independent Director with effect from 5 March 2021*

\# - *Retired on 29 April 2021*

In view of the adverse impact of COVID-19 on the Group's business, the Executive Directors have voluntarily reduced their remuneration for FY2021 by 20% and the proposed director's fees for FY2021 for the Independent Directors has likewise been reduced by 20%.

The Company does not have any other key management personnel apart from executive directors and hence no disclosure was made on remuneration of key management personnel for FY2021. Aside from the directors disclosed above, the Company has no employee who is a substantial shareholder of the Company or is an immediate family member of a director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 for FY2021.

Only non-executive directors are paid directors' fees and the fees are subject to the approval of the shareholders at the Company's AGM. The proposed fees are determined after considering factors such as effort, time spent and contribution from the non-executive directors as well as in accordance with the market practice. No director is involved in deciding his own remuneration.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2021

(B) REMUNERATION MATTERS *(continued)*

Disclosure on Remuneration *(continued)*

The Company adopts a remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of variable bonus that is linked to the performance of the Company and the individual's performance. The Company currently does not have any share scheme in place.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from executive directors in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss to the Company. The executive directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the executive directors in the event of such breach of fiduciary duties. The RC will when appropriate, review the need to adopt such provisions.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: *The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.*

The Company currently does not have a Board Risk Committee. However, Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks.

The Company has established four sets of Standard Operating Procedures ("SOP") which are linked to the nature of the business to enhance its internal control systems. The four (4) sets of SOPs are (i) Investment Evaluation Risk and Operation Control Measures for Property Investment and Property Development Projects, (ii) IT Disaster Recovery Plan, (iii) Quoted/ Unquoted Equity - Fund Investment and (iv) Finance and Operational Internal Controls.

In order to obtain assurance that the Group's risks are managed adequately and effectively, the AC and the Board have reviewed an overview of the risks which the Group is exposed to, as well as an understanding of what countermeasures and internal controls are in place to manage them. The AC and the Board are satisfied that there are adequate internal controls in the Group. The AC and the Board expect the risks assessment process to be a continuing process.

For FY2021, the Board has obtained assurance from:

(a) the CEO and Finance Director that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the CEO and other key management personnel who are responsible, that the Group's risk management systems and internal control systems are adequate and effective.

Based on the internal controls established and maintained by the Group, assurance received from the CEO and other key management personnel, work performed by the internal and external auditors and reviews performed by Management, various Board Committees and the Board, with the concurrence of the AC, are of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems were adequate and effective for FY2021.

The Board notes that the system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Audit Committee

Principle 10: *The Board has an Audit Committee which discharges its duties objectively.*

The AC comprises three (3) members, all of whom are independent directors. The members of the AC, collectively, have expertise and extensive experience in accounting, business and financial management. The Board is of the view that the AC members are qualified to discharge the AC's functions objectively. No former partner or director of the Company's existing auditing firm is a member of the AC.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2021

(C) ACCOUNTABILITY AND AUDIT *(continued)*

Audit Committee *(continued)*

The members are:

Mr Lee Joo Hai (Chairman)
Mr Tan Sin Huat, Dennis
Mr Tan Cher Liang

Roles and Responsibilities of the Audit Committee

The AC met on a half-yearly basis for FY2021 and performed the following main functions:

1. recommended to the Board the nomination of external auditor, approved the remuneration of the external auditor, and reviewed the scope and results of the audit, and its cost-effectiveness;
2. reviewed with Management, external auditor and together with the internal auditor (where necessary), significant financial risks or exposures that exist and assesses the steps Management has taken to minimise such risks to the Group;
3. reviewed with Management, other significant risks and exposures that exist and assesses the steps Management has taken to minimise such risks to the Group;
4. reviewed the following:
   - the Group's half-year and annual financial statements and related footnotes, and the integrity of financial reporting of the Group including accounting principles for recommendation to the Board for approval;
   - the external auditor's audit of the annual financial statements and reports thereon;
   - the internal audit plan and internal audit report;
   - the adequacy and effectiveness of the Group's system of accounting controls;
   - the assurance from the CEO and the Finance Director on the financial records and financial statements;
   - the assistance given by Management to external auditor;
   - any related significant findings and recommendations of the external auditor together with Management's responses thereto;
   - any significant changes required in the external auditor's audit plan, any serious difficulties or disputes with Management encountered during the course of the audit and their resolution, and other matters related to the conduct of the audit;
   - the significant financial reporting issues and judgements for ensuring the integrity of the financial statements of the Group and announcements relating to the Group's financial performance; and
   - the adequacy and effectiveness of the Group's internal audit function.
5. reviewed with Management and reported to the Board annually the adequacy and effectiveness of the Group's internal controls including financial, operational, compliance, and information technology systems and practices and risk management systems;
6. reviewed interested person transactions falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;
7. reviewed legal and regulatory matters that may have a material impact on the financial statements;
8. met once with the external auditor without the presence of Management;
9. responsible for oversight and monitoring of whistleblowing; and
10. reported actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate.

Independence of external auditors

In the review of the financial statements for FY2021, the AC has discussed with the Management and the external auditors on significant issues and assumptions that impact the financial statements. The most significant matters have also been included in the Independent Auditors' Report to the members of the Company under "Key Audit Matters". Following the review, the AC is satisfied that those matters, including the impairment assessment of property-related assets, investments in subsidiaries with property-related assets and the valuation of investment in convertible preference shares, have been properly dealt with and recommended the Board to approve the financial statements. The Board has approved the financial statements on 8 February 2022.

The AC has the power to conduct or authorise investigations into any matters within its terms of reference and has full access to, and co-operation from Management, and full discretion to invite any director and executive officer to attend its meetings. Minutes of the AC meetings are regularly submitted to the Board for its information and review.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2021

(C) ACCOUNTABILITY AND AUDIT *(continued)*

Independence of external auditors *(continued)*

The aggregate amount of fees paid to external auditors amounted to $206,000 (2020: $210,000) for audit services and $Nil (2020: $22,600) for non-audit services. The Company has complied with Rule 712 and Rule 715 of the Listing Manual of the SGX-ST in relation to the appointment of auditing firm for the financial year ended 31 December 2021.

The AC has conducted an annual review of all non-audit services provided by the external auditors in respect of FY2021 and is satisfied that the nature and extent of such services do not affect the independence of the external audit.

Should any material non-compliance and internal control weaknesses noted by the Company's external auditors, Messrs. Ernst & Young LLP in the course of the statutory audit, they will be reported to the AC along with the external auditors' recommendations.

Before the release of the Group's half-year and full-year results, the AC meets to review the results announcement together with the external auditors prior to their recommendations to the Board for approval.

Any change and issue to accounting standards that may have a direct impact on the financial statements that were raised by the external auditors would be communicated to the AC to keep the AC abreast of such changes.

Commentary on Adequacy of the Group's Internal Controls

The Company has outsourced its internal audit function. The internal audit will be performed as and when necessary. The internal auditors report primarily to the Chairman of the AC. The internal auditors plan their internal audit schedule in consultation with but independent of Management. The internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit. The AC reviews the activities of the internal auditor, including overseeing and monitoring of the implementation of improvements required on internal control weaknesses identified. The AC will also review the adequacy and effectiveness of the internal audit function.

The AC approves the hiring, removal, evaluation and compensation of the accounting/auditing firm to which the internal audit function is outsourced. The internal auditors have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC.

The AC reviews the internal audit plans and ensures that the internal audit has been carried out effectively.

The AC met with the external auditors, without the presence of the Management once in FY2021 and is free to meet with the internal auditors without the presence of Management.

The internal auditors have adopted the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors and the AC opined that the internal audit function is independent, effective and adequately resourced.

As part of the annual statutory audit of the financial statements, the external auditors also report to the AC on any material weaknesses in the Group's internal controls and provides recommendation on other significant matters such as risks management which may have come to their attention during the course of the audit.

Whistle Blowing

The Company has in place a whistle-blowing policy. This policy provides well-defined and accessible channels in the Group through which employees may raise concerns about improper conduct within the Group directly to the AC Chairman, as appropriate, without fear of reprisals. The whistle-blowing policy serves to encourage and provide a channel where employees of the Company may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters. There were no whistle-blowing letters received during the year and until the date of this report.

The Company has designated the AC to investigate whistleblowing reports made in good faith independently. The Company will treat all (written) complaints in a confidential and sensitive manner. A report of a complaint will only be disclosed to persons on a need to know basis in order to properly carry out an investigation and the identity of the whistleblower is kept confidential. The Company is committed to ensure protection of the whistleblower against detrimental or unfair treatment arising from whistleblowing.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2021

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: *The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

The Company's results announcements are disseminated through SGXNET, news releases (whenever deemed necessary) and the Company's website. All information on the Company's new initiatives are first disseminated via SGXNET followed by a news release (whenever deemed necessary), which is also available on the Company's website at www.ipc.com.sg.

The Company is aware of its obligations to shareholders in providing information regarding any changes in the Group's business which would likely to materially affect the price or value of the Company's shares.

Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously at such meetings. Results and annual reports are announced or issued within the mandatory period and are available on the Company's website. The Company does not practise selective disclosure.

The Company has an investor relations team who communicates with its investors and attends to their queries. All shareholders of the Company receive the annual reports and/or circulars for its general meeting. The shareholders are encouraged to attend the Company's general meetings, the notice of shareholders' meetings is also made available on the SGXNET and Company's website at www.ipc.com.sg. At the AGM and EGM, all Directors (including the Chairman of AC, NC and RC) are normally present to address shareholders' views and questions regarding the Company. All the Directors attended the FY2020 AGM. A record of the Directors' attendance at the AGM can be found in the records of their attendance of meetings set out on page 18 of this Annual Report. The external auditors are also invited to attend the AGM to assist the directors in addressing any queries relating to the conduct of the audit and the preparation and content of the auditors' report.

Pursuant to the Company's Constitution, a poll may be demanded by the Chairman of the general meeting, or by at least two (2) members, or member(s) representing not less than one-tenth of the total voting rights of all members having the rights to vote at a meeting. The Company will be conducting poll voting for all resolutions proposed at the forthcoming AGM in accordance with the Listing Manual of SGX-ST. An independent scrutineer is appointed to count and validate the votes cast at the general meetings. The total number of votes cast for or against each resolution will be announced at the general meetings. The detailed voting results will also be announced to SGX-ST via SGXNET on the same day after the conclusion of the general meetings.

The Company ensures that there are separate resolutions at general meetings on each distinct issue.

The Company convened its shareholders meetings virtually in 2021 while adhering to the carious advisories and guidance issued by the authorities on holding meeting amid the COVID-19 outbreak.

As permitted under the COVID-19 (Temporary Measures)(Alternative Arrangements for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2021, the Company will convene its FY2021 AGM by electronic means. Alternative arrangements relating to attendance at the FY2021 AGM via electronic means include arrangements by which the meeting can be electronically accessed via live audio-video webcast or live audio-only stream, submission of questions to the Chairman of the meeting in advance of the meeting, addressing of substantial and relevant questions at, or prior to, the meeting and voting by appointing the Chairman of the meeting as proxy at the meeting, will be put in place for the FY2021 AGM.

The minutes of the general meetings are available to shareholders upon their written request. The minutes of the AGM for the financial year ended 31 December 2021 would be published on SGXNET and its corporate website within one (1) month after the AGM.

Shareholders who wish to vote on any or all of the resolutions at the AGM must appoint Chairman of the AGM as their proxy to do so on their behalf. In the Proxy Form, a shareholder should specifically direct the Chairman on how he is to vote for or vote against or abstain from voting on each resolution to be tabled at the AGM, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

As the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email or fax.

Dividend policy

The Company does not have a formal dividend policy. The form, frequency and amount of any proposed dividend will take into consideration the Group's operating results, financial position, working capital requirements and any other relevant considerations as the Board may deem appropriate.

For FY2021, no dividend has been proposed by the Board. The Company is preserving its cash resources to pursue strategic business opportunities.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2021

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT *(continued)*

Engagement with Shareholders

Principle 12*: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.*

The Group monitors the dissemination of material information to ensure that it is made publicly available on a timely and non-selective basis. Results and annual reports are announced or issued within the mandatory period via SGXNET. Since the onset of the COVID-19 pandemic, the Company has been providing increased disclosure through regular voluntary updates on its business operations via SGXNET, to enable investors to make better informed decisions.

The Group has a dedicated investor relations team which communicates with its shareholders and attends to their queries or concerns. The team also manages the dissemination of corporate information to public, institutional investors and public shareholders, and acts as a liaison point for such entities and parties. The Company does not have an investor relations policy in place. Shareholders can avail themselves of email feedback that goes directly to the Group's investor relations team. Material information is published on SGXNET and on the Company's website www.ipc.com.sg.

Over the past financial year, the Group met with investors during the AGM/EGMs. In these meetings, matters pertaining to business strategy, prospects, operational and financial performance were shared by the Board.

(E) MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

Principle 13: *The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.*

The Board recognises the interests of other parties such as shareholders, guests, colleagues, and local community are essential as part of value creation for the Group. The Group has in place a process to identify the major stakeholders, their needs and effective communication channels to engage these stakeholders.

The Group's key focus areas during the reporting period are Responsible Business, Environment, Customer Privacy, Guest Experience, Code Of Conduct, Occupational Health And Safety and Training And Education.

The Group engages with the key stakeholders through various means. Details of the areas of focus, methods of engagement and stakeholders' response can be found in our Sustainability Report 2021 which will be available on the corporate website www.ipc.com.sg by end of May 2022.

Stakeholders can also reach out to the Company through email feedback found on our corporate website www.ipc.com.sg or sustainability report.

Dealing in Securities

The Company has adopted a code of conduct to provide guidance to its officers with regard to dealings in Company's securities which states that its directors and officers are not allowed to deal in the Company's securities during the period commencing one month before the announcement of the Company's half year and full year financial statements and ending on the date of the announcement of the results, and at any time they are in possession of unpublished material price sensitive information. In addition, the directors, officers and employees of the Group are discouraged from dealing in the Company's securities on short-term considerations. The Company confirms that it has adhered to its code of conduct pursuant to Rule 1207(19) of the Listing Manual of the SGX-ST on Dealings in Securities.

Interested Person Transactions

The Company has procedures for review and approval of any transactions with interested persons within the definition of Chapter 9 of the Listing Manual of the SGX-ST. There were no interested person transactions during the financial year which exceed the threshold limits set out under Chapter 9 of the Listing Manual of the SGX-ST and no announcement or shareholders' approval was, therefore, required.

Material Contracts

No material contracts were entered between the Company or any of its subsidiaries with any directors or controlling shareholders during the financial year ended 31 December 2021.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of IPC Corporation Ltd (the "Company") and its subsidiaries (collectively, the "Group"), the balance sheet and the statement of changes in equity of the Company for the financial year ended 31 December 2021.

Opinion of the Directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and the statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Mr Ngiam Mia Je Patrick
Mr Ngiam Mia Kiat Benjamin
Ms Lauw Hui Kian
Mr Ngiam Mia Hai Bernard
Mr Ngiam Mia Hong Alfred
Mr Lee Joo Hai
Mr Tan Sin Huat, Dennis
Mr Tan Cher Liang (Appointed on 5 March 2021)

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of whose objects was, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

(a) The following Directors, who held office at the end of the financial year, had, according to the register of Directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, interests in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Holdings registered in the name of director		**Holdings in which director is deemed to have an interest**	
	At 31.12.2021	At 1.1.2021	At 31.12.2021	At 1.1.2021
IPC Corporation Ltd				
(No. of ordinary shares)				
Ngiam Mia Je Patrick	**4,313,981**	4,313,981	**11,217,893**	11,217,893
Ngiam Mia Kiat Benjamin	**6,053,681**	6,053,681	**7,558,114**	7,558,114
Lauw Hui Kian	**3,659,779**	3,659,779	**11,872,095**	11,872,095
Ngiam Mia Hai Bernard	**1,721,029**	1,721,029	**-**	-
Ngiam Mia Hong Alfred	**1,683,529**	1,683,529	**-**	-
Tan Cher Liang	**-**	-	**125**	125

(b) According to the register of directors' shareholdings, no director holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted.

(c) The directors' interests in the ordinary shares of the Company as at 21 January 2022 were the same as those as at 31 December 2021.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2021

Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Audit Committee

The members of the Audit Committee ("AC") at the end of the financial year were as follows:

Mr Lee Joo Hai *(Chairman)*
Mr Tan Sin Huat, Dennis
Mr Tan Cher Liang

All members of the AC are non-executive and independent directors.

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Chapter 50. In performing those functions, the AC reviewed:

- the scope and the results of internal audit procedures (if any);
- the audit plan of the Company's independent auditor and any recommendations on internal controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the consolidated financial statements of the Group and the balance sheet and statement of change in equity of the Company for the financial year ended 31 December 2021 before their submission to the Board of Directors, as well as the independent auditor's report on the consolidated financial statements of the Group and the balance sheet and statement of change in equity of the Company.

There are no non-audit services provided by the External Auditor to the Group, and the AC is satisfied with the independence of the External Auditor. The AC has also conducted a review of interested person transactions.

The AC convened two meetings during the financial year. The AC has also met with Internal and External Auditors, without the presence of the Company's Management, at least once a year.

Further details regarding the AC are disclosed in the Report of Corporate Governance.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Ngiam Mia Je Patrick
Chairman

Ngiam Mia Kiat Benjamin
Director

Singapore
8 February 2022

INDEPENDENT AUDITOR'S REPORT

To the members of IPC Corporation Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IPC Corporation Ltd (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2021, the statements of changes in equity of the Group and the Company, consolidated statements of comprehensive income and the consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of IPC Corporation Ltd (the "Company") and its subsidiaries (collectively, the "Group") for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 2 February 2021.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment assessment of property-related assets

The Group's property-related assets are mainly in China, held by its China subsidiaries. Property-related assets comprised hotels and meetings, incentives, conferencing and exhibition ("MICE") facilities held under property, plant and equipment and properties developed for sale. As at 31 December 2021, carrying amount of the Group's property-related assets amounted to $57.4 million representing 88.1% of the total assets of the Group.

The Group has engaged an independent valuer to perform valuations to determine the net realisable value and/or recoverable amount of these assets to determine whether any write-down or impairment charge is required. Given the significant level of judgement and estimation surrounding the underlying key assumptions and estimates used in these valuations, this is considered a key audit matter. Furthermore, there is a higher risk of fluctuation in the valuation of these property related assets due to implications brought on by the on-going COVID-19 pandemic.

Our audit procedures included the following:

- We assessed the competency, objectivity and terms of engagement of the valuer engaged by the Group;
- With the involvement of our valuation specialists:
    - We evaluated and assessed the appropriateness of the valuation methodologies,
    - We held discussions with management and external valuation specialist to assess appropriateness of the valuation models used, reasonableness of the key inputs and assumptions underlying the valuations, such as capitalization rate, rental growth rate and considerations of the impact of COVID-19,

INDEPENDENT AUDITOR'S REPORT

To the members of IPC Corporation Ltd (continued)

Key Audit Matters *(continued)*

Impairment assessment of property-related assets *(continued)*

- With the involvement of our valuation specialists: *(continued)*
  - We assessed the reasonableness of management's inputs on the expected selling price for the unsold properties developed for sale by comparing them to recent transaction price of similar type of properties.
- We also assessed the adequacy of the disclosures in the financial statements in Note 3 Significant accounting judgements and estimates, Note 12 Properties developed for sale, Note 16 Property, plant and equipment and Note 17 Leases.

Investments in subsidiaries with property-related assets

The Company has significant investments in subsidiaries based in China with carrying value amounting to $57.7 million. These subsidiaries are mainly involved in the business of property development and hotel operations. The recoverability of the investments in these subsidiaries are dependent on the hotel properties' future operating performance and/or the success of the relevant development projects, which in turn are subject to multiple uncertainties in the market. Further, there is a risk of valuation fluctuation of the hotel properties and development projects due to implications brought by the on-going COVID-19 pandemic.

Management performs impairment assessment on its investments in subsidiaries when there are indicators of impairment. We identified impairment assessment of investments in subsidiaries with property-related assets as a key audit matter due to its magnitude, the level of judgement and estimation involved.

Our audit procedures included the following:

- We obtained an understanding of management's impairment process on its investments in subsidiaries.
- For subsidiaries in the business of property development and hotel operations, the results of the key audit matters discussed in the preceding paragraphs relating to impairment assessment of property-related assets are taken into consideration when assessing the impairment in investments in subsidiaries.
- We also assessed the adequacy of the disclosures in the financial statements in Note 3 Significant accounting judgements and estimates and Note 18 Investments in Subsidiaries.

Valuation of investment in convertible preference shares

The Group has an investment in convertible preference shares ("CPS") in Nest HOTEL Japan Corporation ("NHJC") amounting to $1.4 million as at 31 December 2021, carried at fair value through profit or loss ("FVPL") under SFRS(I) 9 Financial Instruments.

The Group has engaged an independent valuer to perform a valuation to estimate the fair value of these convertible preference shares. Given the level of judgement involved and the sensitivity surrounding the underlying key assumptions and estimates used in the valuation and the market fluctuations due to the on-going COVID-19 pandemic, we determined this to be a key audit matter.

Our audit procedures included the following:

- We reviewed CPS agreements and management's assessment in the classification of the CPS in accordance with SFRS(I) 1-32 Financial Instruments: Presentation; and accordingly the appropriateness of the classification and measurement of the instrument in accordance with the requirements of SFRS(I) 9 Financial Instruments,
- For the valuation of the CPS, we assessed the competency and objectivity of the independent valuer engaged by the Group.
- With the involvement of our valuation specialists,
  - we evaluated and assessed the appropriateness of the methodology and valuation techniques applied;
  - we assessed the reasonableness of the key inputs and assumptions used against comparable companies operating within similar industries, such as the discount on lack of control, marketability, risk-adjusted discount rate, terminal growth rate and projected revenue growth, among others, taking into consideration NHJC management's plans and expectations of market developments; and
  - we re-performed an independent valuation assessment to assess the reasonableness of the computed fair value.
- We also assessed the adequacy of the disclosures in the financial statements in Note 3 Significant accounting judgements and estimates and Note 14 Financial assets, at FVPL.

INDEPENDENT AUDITOR'S REPORT

To the members of IPC Corporation Ltd (continued)

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement and Report of Corporate Governance (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

To the members of IPC Corporation Ltd (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr Ng Boon Heng.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

8 February 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	**2021**	2020
		$'000	$'000
Sales	4	**4,170**	5,412
Cost of sales	5	**(4,688)**	(6,482)
Gross profit/(loss)		**(518)**	(1,070)
Other income	6	**730**	671
Other gains/(losses), net	7	**(4,055)**	(23,248)
Expenses			
- Distribution and marketing	5	**(331)**	(253)
- Administrative	5	**(3,744)**	(3,770)
- Finance	5	**(547)**	(622)
		(4,622)	(4,645)
Profit/(loss) before income tax		**(8,465)**	(28,292)
Income tax credit/(expense)	8(a)	**(383)**	(137)
Total profit/(loss)		**(8,848)**	(28,429)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation			
- Gains/(losses)		**2,522**	3,243
Items that will not be reclassified subsequently to profit or loss:			
Financial assets, at FVOCI			
- Fair value gains/(losses) – equity investments	15	**85**	871
Other comprehensive income/(loss), net of tax		**2,607**	4,114
Total comprehensive income/(loss)		**(6,241)**	(24,315)
Earnings/(losses) per share for profit/(loss) attributable to equity holders of the Company			
(cents per share)			
- Basic	9	**(10.37)**	(33.33)
- Diluted	9	**(10.37)**	(33.33)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 December 2021

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
ASSETS					
Current assets					
Cash and cash equivalents	10	**3,758**	8,099	**2,538**	3,607
Trade and other receivables	11	**398**	754	**152**	169
Properties developed for sale	12	**10,932**	11,040	**–**	–
Properties held for sale	13	**–**	2,526	**–**	–
Other assets		**45**	45	**–**	–
		15,133	22,464	**2,690**	3,776
Non-current assets					
Financial assets, at FVPL	14	**1,366**	4,352	**1,366**	4,352
Financial assets, at FVOCI	15	**526**	1,334	**–**	–
Other receivables	11	**329**	37	**250**	–
Property, plant and equipment	16	**47,833**	46,709	**675**	999
Investments in subsidiaries	18	**–**	–	**58,700**	61,449
Investments in associated companies	19	**–**	–	**–**	–
		50,054	52,432	**60,991**	66,800
Total assets		**65,187**	74,896	**63,681**	70,576
LIABILITIES					
Current liabilities					
Trade and other payables	20	**2,100**	2,141	**149**	244
Current income tax liabilities	8(b)	**338**	11	**116**	–
Lease liabilities	21	**248**	285	**40**	285
Borrowings	22	**915**	5,201	**–**	–
		3,601	7,638	**305**	529
Non-current liabilities					
Lease liabilities	21	**365**	8	**6**	8
Borrowings	22	**3,867**	3,655	**–**	–
		4,232	3,663	**6**	8
Total liabilities		**7,833**	11,301	**311**	537
NET ASSETS/(LIABILITIES)		**57,354**	63,595	**63,370**	70,039
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	23	**33,190**	33,190	**33,190**	33,190
Currency translation reserve		**157**	(2,365)	**–**	–
Fair value reserve	24	**(867)**	(1,486)	**–**	–
Retained earnings	25	**24,874**	34,256	**30,180**	36,849
Total equity		**57,354**	63,595	**63,370**	70,039

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Attributable to equity holders of the Company				
	Share capital	Currency translation reserve	Fair value reserve	Retained earnings	Total
Group	$'000	$'000	$'000	$'000	$'000
2021					
As at 1 January	**33,190**	**(2,365)**	**(1,486)**	**34,256**	**63,595**
Profit/(loss) for the year	–	–	–	(8,848)	(8,848)
Transfer upon disposal of financial assets, at FVOCI (Note 24)	–	–	534	(534)	–
Other comprehensive income/(loss) for the year	–	2,522	85	–	2,607
Total comprehensive income/(loss) for the year	–	2,522	619	(9,382)	(6,241)
As at 31 December	**33,190**	**157**	**(867)**	**24,874**	**57,354**
2020					
As at 1 January	**33,190**	**(5,608)**	**(2,357)**	**62,685**	**87,910**
Profit/(loss) for the year	–	–	–	(28,429)	(28,429)
Other comprehensive income/(loss) for the year	–	3,243	871	–	4,114
Total comprehensive income/(loss) for the year	–	3,243	871	(28,429)	(24,315)
As at 31 December	**33,190**	**(2,365)**	**(1,486)**	**34,256**	**63,595**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

Company	Share capital $'000	Retained earnings $'000	Total $'000
2021			
As at 1 January	**33,190**	**36,849**	**70,039**
Profit/(loss) for the year, represented total comprehensive income/(loss) for the year	–	(6,669)	(6,669)
As at 31 December	**33,190**	**30,180**	**63,370**
2020			
As at 1 January	**33,190**	**81,295**	**114,485**
Profit/(loss) for the year, represented total comprehensive income/(loss) for the year	–	(44,446)	(44,446)
As at 31 December	**33,190**	**36,849**	**70,039**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	2021	2020
		$'000	$'000
Cash flows from operating activities			
Profit/(Loss) before income tax		**(8,465)**	(28,292)
Adjustments for			
- Depreciation of property, plant and equipment		**1,905**	2,070
- Unrealised currency translation losses/(gains)		**(186)**	(96)
- Gain on disposal of property, plant and equipment		**(76)**	–
- Write-down on properties developed for sale		**385**	4,288
- Write-down on properties held for sale		**803**	604
- Fair value loss/(gain) on financial assets, at FVPL		**2,986**	18,568
- Write-off of other receivables		**58**	1
- Interest income		**(10)**	(27)
- Interest expense		**547**	622
		(2,053)	(2,262)
Change in working capital			
- Other assets		**–**	(6)
- Properties		**2,012**	3,888
- Trade and other receivables		**6**	(75)
- Trade and other payables		**(48)**	(12)
Cash generated from/(used in) operations		**(83)**	1,533
Interest received		**10**	27
Income tax paid, net		**(59)**	(137)
Net cash provided by/(used in) operating activities		**(132)**	1,423
Cash flows from investing activities			
Purchases of property, plant and equipment	A	**(421)**	(122)
Proceeds from disposal of property, plant and equipment		**406**	–
Disposal of financial assets, at FVOCI		**893**	–
Net cash provided by/(used in) investing activities		**878**	(122)
Cash flows from financing activities			
Interest paid		**(547)**	(622)
Proceeds from borrowings		**938**	399
Principal repayment of borrowings		**(5,338)**	(80)
Principal payment of lease liabilities		**(374)**	(316)
Net cash provided by/(used in) financing activities		**(5,321)**	(619)
Net increase/(decrease) in cash and cash equivalents		**(4,575)**	682
Cash and cash equivalents at beginning of financial year	10	**8,099**	7,440
Effects of currency translation on cash and cash equivalents		**234**	(23)
Cash and cash equivalents at end of financial year	10	**3,758**	8,099

A – Non-cash purchase of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $698,000 (2020: $31,000) by means of lease arrangements. Of which, $4,000 (2020: Nil) is relating to provision for restoration cost. The cash outflow on acquisition of property, plant and equipment amounted to $421,000 (2020: $122,000).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

1. Corporate information

IPC Corporation Ltd (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The ordinary shares of the Company were admitted to the official list of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 21 May 1993.

The registered office of the Company is located at 23 Tai Seng Drive, #06-00, Singapore 535224.

The principal activities of the Company are investment holding, property investment and property development.

The principal activities of its subsidiary companies are investment holding, property investment and property development, investing and reselling properties, property consulting, hospitality services and operate fast food outlets and manufacture food product.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("SGD" or "$") and all values are rounded to the nearest thousand ($'000), except when otherwise indicated.

2.2 Change in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards and interpretations which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group and the Company.

2.3 New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been issued, and are relevant for the Group's accounting periods beginning on or after 1 January 2022 and which the Group has not early adopted.

The accounting policies adopted are consistent with those of the previous financial period except that in the current financial year, the Group has adopted all the new and amended standards which are effective for annual periods beginning on or after 1 January 2021. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group and the Company.

2.4 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 10 Consolidated Financial Statements and SFRS(I) 1-28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies *(continued)*

2.4 Standards issued but not yet effective *(continued)*

The Group is in the process of making an assessment of the impact of these new and revised SFRS(I)s upon initial application. The Group considers that the new and revised SFRS(I)s are unlikely to have material impact on the financial statements in the year of initial application.

2.5 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within subsidiaries are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another SFRS(I).

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies *(continued)*

2.6 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.7 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss, unless they arise from borrowings in foreign currencies and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation.

All foreign exchange gains and losses impacting profit or loss are presented in the consolidated statement of comprehensive income within "other gains/(losses), net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

2.8 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

Property, plant and equipment are initially recognised at cost. They are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies *(continued)*

2.8 Property, plant and equipment *(continued)*

(a) Measurement (continued)

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (Note 2.18).

(b) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Prepaid leasehold land	34 - 62 years
Buildings	34 - 62 years
Leasehold properties	1 - 3 years
Building improvements	5 - 20 years
Furniture, fixtures and fittings	1 - 20 years
Office equipment	3 - 5 years
Motor vehicles	10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains and losses".

2.9 Properties developed for sale

Properties developed for sale are carried at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2.10 Properties held for sale

Properties held for sale are carried at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies *(continued)*

2.11 Impairment of non-financial assets *(continued)*

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.12 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.13 Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in associates is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate. The profit or loss reflects the share of results of the operations of the associate. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associates are eliminated to the extent of the interests in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associates is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

As the dates of the associates' audited financial statements used are not co-terminous with that of the Group, the Group's share of results is arrived at based on the latest available audited financial statements and subsequent un-audited management financial statements up to the end of the accounting period. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Upon loss of significant influence or joint control over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

2.14 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies *(continued)*

2.14 Financial instruments *(continued)*

(a) Financial assets (continued)

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement categories for classification of debt instruments applicable to the Group are:

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through the amortisation process.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

Fair value through profit or loss or fair value through OCI

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

De-recognition

A financial asset is de-recognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies *(continued)*

2.14 Financial instruments *(continued)*

(b) Financial liabilities (continued)

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.15 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand, fixed deposits and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

<u>Borrowings</u>

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting period in which they are presented as non-current liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies *(continued)*

2.18 Borrowing costs *(continued)*

Borrowings *(continued)*

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.19 Employee benefits

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for annual leave is recognised for services rendered by employees up to the end of each reporting period.

2.20 Leases

(a) When the Group and the Company are the lessee:

At the inception of the contract, the Group and the Company assess if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) Right-of-use assets

The Group and the Company recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

(ii) Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group and the Company shall use its incremental borrowing rate.

Lease payments would typically include the following:
- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;

For contract that contain both lease and non-lease components, the Group and the Company allocate the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group and the Company have elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method.

Lease liability shall be remeasured when:
- There is a change in future lease payments arising from changes in an index or rate;
- There are changes in the Group's and Company's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies *(continued)*

2.20 Leases *(continued)*

(a) When the Group and the Company are the lessee: (continued)

(ii) Lease liabilities (continued)

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short-term leases and leases of low-value assets

  The Group and the Company have elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low-value assets, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

  Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group and the Company shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

  There is no variable lease payment for the financial year.

(b) When the Group is the lessor

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents, if any, are recognised as income in profit or loss when earned.

2.21 Revenue

The revenue recognition criteria for each of the Group’s activities are as follows:

(a) Sale of properties

Revenue from sale of properties is recognised upon completion/delivery to buyers and there is no unfulfilled obligation that could affect the buyers’ acceptance of the properties (i.e. at a point in time).

(b) Hotel-related revenue

Revenue from hotel room is recognised on a daily basis (i.e. at a point in time), commencing at the time of checking in of guests.

Revenue from the sale of food and beverages from Hotel is recognised when products are delivered to the customers (i.e. at a point in time), the customer accepted the products and collectability of the related receivables is reasonably stated.

Revenue from conference room is recognised on a daily basis (i.e. at a point in time), commencing at the time when conference room is first used by guests.

(c) Rendering of services

Revenue from rendering of services is recognised when the services are rendered (i.e. at a point in time), the customer have accepted the service provided and the collectability of the related receivables is reasonably assured.

(d) Rental income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

2.22 Dividend and interest income

Dividend income is recognised in profit or loss when the Group’s right to receive payment has been established.

Interest income is recognised in profit or loss, as it accrues, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies *(continued)*

2.23 Government grants

Government grants are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred income on the balance sheet and is recognised as income in equal amounts over the expected useful life of the related asset.

Where the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs for which the grants are intended to compensate are expensed. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as 'other income'. Alternatively, they are deducted in reporting the related expenses.

2.24 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

2. Summary of significant accounting policies *(continued)*

2.24 Taxes *(continued)*

(b) Deferred tax (continued)

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

2.25 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital.

2.26 Dividends to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payment.

2.27 Contingencies

A contingent liability is:

(a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) A present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheets of the Group and the Company.

2.29 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM") whose members are responsible for allocating resources and assessing performance of the operating segments.

3. Significant accounting estimates, assumptions and judgements

The preparation of the Group's consolidated financial statements and the Company financial statements require Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

3. Significant accounting estimates, assumptions and judgements *(continued)*

(a) Impairment assessment of property-related assets

The Group has properties developed for sale and property, plant and equipment. The carrying amount of these assets are disclosed in Note 12 and Note 16 to the financial statements respectively.

The Group has engaged an independent valuer to perform valuations to determine the net realisable values of properties developed for sale and the recoverable amounts of the properties related asset classified within property, plant and equipment in China, to determine whether any write-down or impairment was required during the year and as at the year end.

The net realisable values of the properties developed for sales was determined using the direct comparison method (2020: properties developed for sales and properties held for sale - an average of the direct comparison method and income method). The recoverable amounts of the property, plant and equipment was determined using an average of the direct comparison method and income method. The judgement and estimates involved the comparison of recently transacted sales of similar properties and estimating net operating income from rental discounted by an appropriate capitalisation rate. Based on the valuations, the management concluded that the total write-down of $0.385 million was required for properties developed for sale (Note 7) for the financial year ended 31 December 2021.

The following table presents the sensitivity of the key inputs that were used to determine the impairment of property, plant and equipment:

Description	Carrying amount at 31.12.2021 $'000	Inputs	Range of inputs	Relationship of inputs to value	Impact on loss before tax ("LBT")
Property, plant and equipment	$46,505	Capitalisation rate	5.5%	The higher the capitalisation rate, the lower the value	Increase/decrease by 1%, LBT would increase by $1.053 million or no impact respectively
		Rental growth rate	3.0%	The higher the rental growth rate, the higher the value	Increase/decrease by 1%, LBT would have no impact or increase by $0.950 million respectively

(b) Investment in subsidiaries with property-related assets

The Company has significant interest in subsidiaries and the carrying amount of the investment in subsidiaries is disclosed in Note 18 to the financial statements.

During the year, the Company has provided impairment in the investments in the subsidiaries, amounting to $2,891,000 (2020: $24,721,000) as the estimated fair values of net assets of the subsidiaries are lower than the carrying amounts of investments as at 31 December 2021. The fair values of the net assets were estimated using the net assets of the subsidiaries, adjusted to include the fair values of the property-related assets of the subsidiaries where applicable. The valuation techniques in estimating the fair values of the property-related assets are disclosed in Note 3(a). The fair value measurements are categorised within Level 3 of the fair value hierarchy.

(c) Valuation of investment in convertible preference shares

The Group has an investment in convertible preferred shares in Nest Hotel Japan Corporation ("NHJC"), a company incorporated in Japan and primarily engaged in hotel management and operation. As at 31 December 2021, NHJC manages 16 hotels in different locations in Japan. The fair value loss recognised during the financial year amounted to $2.986 million (2020: $18.568 million) (Note 7). The carrying amount of this investment is disclosed in Note 14 to the financial statements.

The Group has engaged an independent valuer to perform valuation on the investment as at 31 December 2021. Certain key assumptions and estimates are highly sensitive, and they have been disclosed accordingly in Note 29a to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4. Revenue

	Group	
	2021	2020
	$'000	$'000
Sale of properties developed for sale	**297**	3,516
Sale of properties held for sale	**1,460**	–
Hotel-related revenue		
- Hotel room revenue	**2,018**	1,376
- Sale of food and beverages	**314**	406
- Conference room revenue	**66**	102
- Rendering of services	**4**	12
Others	**11**	–
Total sales	**4,170**	5,412
Timing of transfer of good or service		
Point in time	**4,170**	5,412

Revenue mainly originates from China.

During the year, the revenue from the sale of properties developed for sale was related to the sale of the residential car park (2020: Xu Ri Wan Hua Yuan Kindergarten and residential car parks) located at Zhuhai, China to third parties. The revenue from the sale of properties held for sale was located at Foshan, China to a third party.

5. Expenses by nature

	Group	
	2021	2020
	$'000	$'000
Cost of properties developed for sale	**223**	3,898
Cost of properties held for sale	**1,790**	–
Depreciation of property, plant and equipment (Note 16)	**1,905**	2,070
Employee compensation (Note 26)	**2,796**	2,598
Hotel and catering supplies	**271**	343
Insurance	**192**	111
Interest expense	**547**	622
Maintenance	**319**	312
Professional fees	**462**	476
Property and miscellaneous taxes	**106**	76
Rental expense on operating lease	**22**	14
Transportation	**32**	21

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

6. Other income

	Group	
	2021	2020
	$'000	$'000
Interest income from financial assets, at amortised cost	**10**	27
Interest income from financial assets, at FVOCI	**–**	–
Rental income (on operating leases)	**564**	461
Government grant income - Jobs Support Scheme [1]	**98**	105
Others	**58**	78
	730	671

[1] Government grant income from Jobs Support Scheme relate to cash grants made by the Singapore government in relation to the gross monthly wages of eligible employees to help enterprises retain employees.

7. Other gains/(losses), net

	Group	
	2021	2020
	$'000	$'000
Fair value gain/(loss) on financial assets, at FVPL (Note 14)	**(2,986)**	(18,568)
Currency translation gains/(losses) – net	**101**	213
Gains on disposal of property, plant and equipment	**76**	–
Write-down on properties developed for sale	**(385)**	(4,288)
Write-down on properties held for sale	**(803)**	(604)
Write-off of other receivables	**(58)**	(1)
	(4,055)	(23,248)

8. Income taxes

(a) Income tax expense/(credit)

	Group	
	2021	2020
	$'000	$'000
Tax expense/(credit) attributable to profit is made up of:		
Profit/(loss) from current financial year:		
Local taxes		
- Under/(over) provision in prior financial years	**116**	–
Foreign taxes		
- Land appreciation tax expenses	**19**	137
- Under/(over) provision of land appreciation tax in prior financial years	**248**	–
	383	137

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

8. Income taxes *(continued)*

(a) Income tax expense/(credit) (continued)

Relationship between tax expense and profit/(loss) before taxation

A reconciliation between the tax expense and the product of profit/(loss) before taxation multiplied by the corporate tax rate for the years ended 31 December 2021 and 2020 is as follows:

	Group	
	2021	2020
	$'000	$'000
Profit/(loss) before tax	**(8,465)**	(28,292)
Tax calculated at tax rate of 17% (2020: 17%)	**(1,439)**	(4,810)
Effects of		
- different tax rates in other countries	**(248)**	(1,217)
- utilisation of previously unrecognised tax losses	**(44)**	(40)
- expenses not deductible for tax purposes	**1,615**	5,877
- income not subject to tax	**(199)**	(150)
- deferred tax assets not recognised	**382**	340
- under/(over) provision of income tax in prior financial years	**116**	–
- under/(over) provision of land appreciation tax in prior financial years	**248**	–
- others	**(48)**	137
Tax expense/(credit)	**383**	137

The Group has unutilised tax losses of approximately $11.9 million (2020: $13.3 million) that are available for offset against future taxable profits of the subsidiaries in which the losses arose for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. Tax losses incurred by subsidiaries of $7.4 million (2020: $8.8 million) can be carried forward for a period of up to five years subsequent to the year of the loss, while the remaining tax losses have no expiry date.

The Group is subjected to income taxes and other types of taxes in different jurisdictions. In determining the tax liabilities, management is required to estimate the deductibility of certain expenses and the taxability of income ("uncertain tax positions") in each jurisdiction.

Certain judgement is required in determining uncertain tax position during the estimation of the provision for income taxes and in determining the recoverability at tax recoverable. There are still a number of years of assessment of certain companies in the Group as well as certain transactions and calculations for which the ultimate taxes determination is uncertain during the ordinary course of business.

The Group recognises the income tax liabilities based on estimates of whether the additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax, deferred income tax provision and unutilised tax losses in the period in which such determination is made.

In 2018, the Company received notices from Inland Revenue Authority of Singapore ("IRAS") regarding tax matters relating to years of assessment (YA) 2013 to 2016 for which discussions are on-going with the IRAS. The impact of this matter is the adjustment to the available unutilised tax losses that can be carried forward. Accordingly, the unutilised tax losses as at 31 December 2021 disclosed above have been represented to reflect the effect of this matter. Should IRAS agree with the Company's position on this matter, the tax losses of the Group as at 31 December 2021 would be approximately $72.9 million (2020: $74.4 million), which comprises Development and Expansion Incentive tax losses of $8.4 million (2020: $8.4 million) and unutilised tax losses of $64.5 million (2020: $66.0 million) that are available for offset against future taxable profits of the companies in which the losses arose, subject to conditions, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

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For the financial year ended 31 December 2021

8. Income taxes *(continued)*

(b) Movement in current income tax liabilities

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Beginning of the financial year	**11**	11	**–**	–
Income tax paid	**(59)**	(137)	**–**	–
Tax expense/(credit)	**19**	137	**–**	–
Under/(over) provision in prior financial years	**364**	–	**116**	–
Translation differences	**3**	–	**–**	–
End of the financial year	**338**	11	**116**	–

9. Earnings/(losses) per share

Basic earnings/(losses) per share is calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Total	
	2021	2020
Profit/(loss) attributable to equity holders of the Company ($'000)	**(8,848)**	(28,429)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	**85,292**	85,292
Basic earnings/(losses) per share (cents per share)	**(10.37)**	(33.33)

The basic earnings/(losses) per share are the same as the diluted earnings/(losses) per share as there are no dilutive potential ordinary shares.

10. Cash and cash equivalents

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**2,758**	3,981	**1,538**	860
Short-term bank deposits	**1,000**	4,118	**1,000**	2,747
	3,758	8,099	**2,538**	3,607

Cash at bank and on hand are non-interest bearing. Short-term bank deposits are made for period of 1 month with weighted average effective interest rate as at 31 December 2021 for the Group and the Company of 0.25% and 0.25% (2020: 0.07% and 0.1%) per annum respectively.

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For the financial year ended 31 December 2021

11. Trade and other receivables

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Current				
Trade receivables				
- Non-related parties	**77**	392	**–**	33
Other receivables	**22**	–	**16**	–
Deposits	**198**	232	**136**	136
Prepayments	**101**	130	**–**	–
	398	754	**152**	169
Non-current				
Other receivable	**250**	–	**250**	–
Deposits	**52**	–	**–**	–
Prepayments	**27**	37	**–**	–
	329	37	**250**	–
	727	791	**402**	169

The non-current other receivable is a secured loan to a third party which bears interest at 5% per annum (2020: Nil) and matures on 5 July 2024.

12. Properties developed for sale

	Group	
	2021	2020
	$'000	$'000
Land cost and development expenditure	**10,932**	11,040

The properties developed for sale recognised as an expense and included in "cost of sales" amounted to $0.223 million (2020: $3.898 million) (Note 5).

During the year, there was a write-down on properties developed for sale amounting to $385,000 (2020: $4,288,000).

As at 31 December 2021, the Group's properties developed for sale are held by IPC Property Development (Zhuhai) Ltd, a wholly-owned subsidiary of the Company which is incorporated in the China.

The details of the Group's properties developed for sale are as follows:

Name of property	Location	Type of development	Site area sq.m.	Gross floor area held-for- sale sq.m.	Attributable interest
Xu Ri Wan Hua Yuan	1-3 Zu Tuan, Zhuhai, China	Residential car park	2,457	2,457	100%
Xu Ri Wan Hua Yuan	4-5 Zu Tuan, Zhuhai, China	Residential car park	2,119	2,119	100%

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For the financial year ended 31 December 2021

13. Properties held for sale

	Group	
	2021	2020
	$'000	$'000
Properties held for sale	**–**	2,526

The properties held for sale recognised as an expense and included in "cost of sales" amounted to $1.790 million (2020: Nil) (Note 5).

14. Financial assets, at FVPL

	Group and Company	
	2021	2020
	$'000	$'000
Financial assets, at FVPL	**1,366**	4,352

The movement of the financial assets, at FVPL are as follows:

	Group and Company	
	2021	2020
	$'000	$'000
Beginning of financial year	**4,352**	22,920
Fair value gain/(loss)recognised in profit or loss (Note 7)	**(2,986)**	(18,568)
End of financial year	**1,366**	4,352

Financial assets, at FVPL are analysed as follows:

	2021	2020
	$'000	$'000
Group and Company		
Unquoted investments		
- Equity investments - Asia Pacific	**1,366**	4,352

The instruments are all mandatorily measured at fair value through profit or loss.

The unquoted investments in Asia Pacific included Convertible Preference Shares ("CPS") in Nest Hotel Japan Corporation ("NHJC"). These CPS do not have any voting rights. On 12 November 2018, a shareholders' agreement was entered into with NHJC and the ordinary shareholders of NHJC which stipulated that the CPS will be automatically converted into ordinary shares on 31 July 2050. If converted, the CPS will accord the Company with 80% of the total ordinary share capital of NHJC. On 30 December 2020, a new shareholders agreement was entered into to set 1 January 2026 as the date when the Company has the exercisable right to convert the CPS into ordinary shares. During the financial year 2021, NHJC has managed to secure investments from an unrelated investor for JPY 500 million and JPY50 million from the existing sole common stock holder. Post recapitalisation, the Group's and the Company's CPS shareholding in NHJC was reduced from 80.8% to 42.8%, when converted.

Event after balance sheet date

On 31 January 2022, there was a cash injection JPY 172.5 million into NHJC from the existing common stock holders. Post recapitalisation, the Group's and the Company's CPS shareholding in NHJC would be reduced from 42.8% to 37.3%.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

15. Financial assets, at FVOCI

	Group	
	2021	2020
	$'000	$'000
Financial assets, at FVOCI	**526**	1,334

Financial assets, at FVOCI are analysed as follows:

	2021	2020
	$'000	$'000
Group		
Quoted investments		
- Equity investment - United States	**526**	1,334

The movement of the financial assets, at FVOCI are as follows:

	Group	
	2021	2020
	$'000	$'000
Beginning of financial year	**1,334**	463
Disposal	**(893)**	–
Fair value gain/(loss) recognised in other comprehensive income (Note 24)	**85**	871
End of financial year	**526**	1,334

The equity investment has been designated to be measured at FVOCI. The Group deemed that this is a strategic investment as the investment is in a different business segment of running a mobile, cloud-based operating system that brings data, users and systems together into the user's phone, of which the Group has long term plan to hold this investment and hence it is not held for trading.

In 2021, the Group sold its equity interest in the financial assets for the Group's operational purpose. The fair value on the dates of sale is $893,000 and the accumulated gain/(loss) recognised in fair value reserve of $534,000 was transferred to retained earnings. There was no dividend received in 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

16. Property, plant and equipment

	Prepaid leasehold land	Buildings and improvements	Leasehold properties	Furniture, fixtures and fittings	Motor vehicles	Office equipment	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
2021							
Cost							
Beginning of financial year	22,743	33,307	903	1,452	1,833	987	61,225
Currency translation differences	1,285	1,541	–	52	12	39	2,929
Additions	–	23	598	21	436	41	1,119
Disposal	–	–	–	–	(776)	–	(776)
End of financial year	24,028	34,871	1,501	1,525	1,505	1,067	64,497
Accumulated depreciation							
Beginning of financial year	3,297	7,361	590	1,221	1,136	911	14,516
Currency translation differences	240	358	–	42	12	37	689
Depreciation charge (Note 5)	492	882	336	61	116	18	1,905
Disposal	–	–	–	–	(446)	–	(446)
End of financial year	4,029	8,601	926	1,324	818	966	16,664
Net book value							
End of financial year	**19,999**	**26,270**	**575**	**201**	**687**	**101**	**47,833**
2020							
Cost							
Beginning of financial year	21,073	31,583	883	1,377	1,820	923	57,659
Currency translation differences	1,670	1,637	–	54	13	41	3,415
Additions	–	87	20	21	–	25	153
Disposal	–	–	–	–	–	(2)	(2)
End of financial year	22,743	33,307	903	1,452	1,833	987	61,225
Accumulated depreciation							
Beginning of financial year	2,616	6,011	278	1,114	961	829	11,809
Currency translation differences	220	329	–	41	12	37	639
Depreciation charge (Note 5)	461	1,021	312	66	163	47	2,070
Disposal	–	–	–	–	–	(2)	(2)
End of financial year	3,297	7,361	590	1,221	1,136	911	14,516
Net book value							
End of financial year	**19,446**	**25,946**	**313**	**231**	**697**	**76**	**46,709**

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For the financial year ended 31 December 2021

16. Property, plant and equipment *(continued)*

	Leasehold property	Furniture, fixtures and fittings	Motor vehicles	Office equipment	Total
	$'000	$'000	$'000	$'000	$'000
Company					
2021					
Cost					
Beginning of financial year	903	343	1,564	134	2,944
Additions	–	–	436	–	436
Disposal	–	–	(776)	–	(776)
End of financial year	903	343	1,224	134	2,604
Accumulated depreciation					
Beginning of financial year	590	343	888	124	1,945
Depreciation charge	313	–	115	2	430
Disposal	–	–	(446)	–	(446)
End of financial year	903	343	557	126	1,929
Net book value					
End of financial year	**–**	**–**	**667**	**8**	**675**
2020					
Cost					
Beginning of financial year	883	343	1,564	123	2,913
Additions	20	–	–	11	31
End of financial year	903	343	1,564	134	2,944
Accumulated depreciation					
Beginning of financial year	278	343	731	123	1,475
Depreciation charge	312	–	157	1	470
End of financial year	590	343	888	124	1,945
Net book value					
End of financial year	**313**	**–**	**676**	**10**	**999**

(a) Right-of-use of assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 17(a).

(b) Bank borrowings are secured on prepaid leasehold land and buildings of the Group with carrying amount of $37,214,000 (2020: $36,699,000) (Note 22).

(c) The carrying amount of the property, plant and equipment (excluding motor vehicles) located in China, amounted to $46,505,000 (2020: $45,689,000).

(d) There was an addition of $100,000 (2020: Nil) relating to motor vehicles under a hire purchase arrangement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

17. Leases

The Group and Company as a lessee

Nature of the Group's and Company's leasing activities

Prepaid leasehold land

The Group has made an upfront payment to secure the right-of-use of leasehold land, which had been developed into hotel, shophouses and MICE facilities. The right-of-use of the leasehold land are recognised in Note 16.

Leasehold properties, motor vehicles and office equipment

The Group and the Company lease office space, motor vehicles and office equipment, and the Group leases hostel units and food outlets from non-related parties under non-cancellable operating lease agreements, for the purpose of back office operations, staff accommodation and food outlets respectively. The right-of-use of the leasehold property, motor vehicles and office equipment are recognised in Note 16.

(a) Carrying amounts

ROU assets classification

	2021	2020
	$'000	$'000
Group		
Property, plant and equipment		
- Prepaid leasehold land	**19,999**	19,446
- Leasehold properties	**575**	313
- Motor vehicles	**93**	–
- Office equipment	**8**	10
Company		
Property, plant and equipment		
- Leasehold property	**–**	313
- Motor vehicles	**93**	–
- Office Equipment	**8**	10

(b) Depreciation charge during the year

	2021	2020
	$'000	$'000
Group		
Property, plant and equipment		
- Prepaid leasehold land	**492**	461
- Leasehold properties	**336**	312
- Motor vehicles	**7**	–
- Office equipment	**2**	1
Company		
Property, plant and equipment		
- Leasehold property	**313**	312
- Motor vehicles	**7**	–
- Office Equipment	**2**	1

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For the financial year ended 31 December 2021

17. Leases *(continued)*

(c) Lease expense not capitalised in lease liabilities

	2021	2020
	$'000	$'000
Group		
Lease expense – short-term leases	**22**	14

(d) Total cash outflow for all the leases during the financial year 2021 was $382,000 (2020: $329,000).

(e) The addition of ROU assets during the financial year 2021 was $698,000 (2020: $31,000).

(f) Future cash outflow which are not capitalised in lease liabilities

Extension options

The lease for office building and stalls contain extension period, for which the related lease payments had not been included in lease liabilities as the Group and Company is not reasonably certain to exercise these extension option. The Group and the Company negotiate extension options to optimise operational flexibility in terms of managing the assets used in the Group's and the Company's operations. Certain of the extension option is exercisable by the Group and the Company and not by the lessor.

The Group as a lessor

Nature of the Group's leasing activities - the Group as a lessor

The Group has leased out residential carpark under properties developed for sale and shophouses under property, plant and equipment to non-related parties for fixed monthly lease payments. These leases are classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Rental income from the leases of the Group as a lessor recognised during the financial year 2021 was $564,000 (2020: $461,000) as disclosed in Note 6.

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	Group	
	2021	2020
	$'000	$'000
Not later than one year	**520**	418
Between one and two years	**484**	402
Between two and three years	**395**	363
Between three and four years	**252**	354
Between four and five years	**219**	240
Later than five years	**476**	656
Total undiscounted lease payment	**2,346**	2,433

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For the financial year ended 31 December 2021

18. Investments in subsidiaries

	Company	
	2021	2020
	$'000	$'000
At cost		
Equity investments	**38,337**	38,287
Loans to subsidiaries	**57,859**	57,767
	96,196	96,054
Less: Accumulated impairment	**(37,496)**	(34,605)
End of financial year	**58,700**	61,449

The loans to subsidiaries are treated as a long-term source of additional capital and financing within the Group. Accordingly, they are managed centrally and deemed to be quasi-equity loans representing the Company's net investments in the subsidiaries.

During the year, the Company has provided impairment in the investments in the subsidiaries, amounting to $2,891,000 (2020: $24,721,000) as the estimated recoverable amounts of the subsidiaries are lower than the carrying amounts of investments as at 31 December 2021. The fair values of the net assets were estimated using the net assets of the subsidiaries, adjusted to include the fair values of the property-related assets of the subsidiaries where applicable. The valuation techniques in estimating the fair values of the property-related assets are disclosed in Note 3(a). The fair value measurements are categorised within Level 3 of the fair value hierarchy.

Details of all subsidiaries are listed in Note 36.

19. Investments in associated companies

	Group	
	2021	2020
	$'000	$'000
Beginning and end of the financial year	**–**	–

	Company	
	2021	2020
	$'000	$'000
Equity investment at cost		
Beginning and end of the financial year	**500**	500
Accumulated impairment losses		
Beginning and end of the financial year	**500**	500
Net carrying amount		
End of financial year	**–**	–
The summarised financial information of associated companies are as follows:		
- Assets	**–***	–*
- Liabilities	**12,457**	12,456
- Net profit/(loss)	**(1)**	(1)

* Less than $1,000

During the financial year, the Group has not recognised its share of loss of associated companies amounting to $535 (2020: $535) because the Group's cumulative share of losses exceeds its interests in those entities and the Group has no obligation in respect of those losses. The cumulative unrecognised losses amount to $6,728,497 (2020: $6,727,962) at the end of the reporting period.

Details of significant associated companies are listed in Note 36.

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For the financial year ended 31 December 2021

20. Trade and other payables

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Trade payables to				
- Non-related parties	**210**	166	**–**	–
- Associated companies	**663**	663	**–**	–
- Subsidiaries	**–**	–	**14**	15
	873	829	**14**	15
Deposits received	**290**	275	**–**	–
Accrued operating expenses	**937**	1,037	**135**	229
	2,100	2,141	**149**	244

Transactions with associated companies and subsidiaries were made on normal commercial terms and conditions.

21. Lease liabilities

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Current				
- Lease liabilities	**248**	285	**40**	285
Non-current				
- Lease liabilities	**365**	8	**6**	8
	613	293	**46**	293

Reconciliation of liabilities arising from financing activities for the Group

2021	**At 1 January** $'000	**Principal and interest payments** $'000	**Addition** $'000	**Interest** $'000	**At 31 December** $'000
Lease liabilities	293	(382)	694	8	613

2020	**At 1 January** $'000	**Principal and interest payments** $'000	**Addition** $'000	**Interest** $'000	**At 31 December** $'000
Lease liabilities	578	(329)	31	13	293

Reconciliation of liabilities arising from financing activities for the Company

2021	**At 1 January** $'000	**Principal and interest payments** $'000	**Addition** $'000	**Interest** $'000	**At 31 December** $'000
Lease liabilities	293	(350)	100	3	46

2020	**At 1 January** $'000	**Principal and interest payments** $'000	**Addition** $'000	**Interest** $'000	**At 31 December** $'000
Lease liabilities	578	(329)	31	13	293

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

22. Borrowings

	Group 2021 $'000	Group 2020 $'000
Current		
- Bank borrowings (secured)	**915**	5,201
Non-current		
- Bank borrowings (secured)	**3,867**	3,655
	4,782	8,856

The exposure of the borrowings of the Group to interest rate changes at the end of the reporting period are as follows:

	Group 2021 $'000	Group 2020 $'000
Less than 1 year	**915**	5,201
1-5 years	**3,867**	3,655
	4,782	8,856

(a) Security granted

Bank borrowings of $4,782,000 (2021: $8,856,000) are secured by pledge of certain property related assets under property, plant and equipment (Note 16) in Zhuhai, China.

(b) Reconciliation of borrowings

2021	**At 1 January** $'000	**Principal and interest payments** $'000	**Proceeds from borrowings** $'000	**Interest expense** $'000	**Foreign exchange movement** $'000	**At 31 December** $'000
Bank borrowings	8,856	(5,877)	938	539	326	4,782

2020	**At 1 January** $'000	**Principal and interest payments** $'000	**Proceeds from borrowings** $'000	**Interest expense** $'000	**Foreign exchange movement** $'000	**At 31 December** $'000
Bank borrowings	8,111	(689)	399	609	426	8,856

(c) Fair value of non-current borrowings

The bank borrowings are subjected to floating interest rates and their carrying amounts approximate their fair values.

23. Share capital

	2021 Number of shares ('000)	**2021** $'000	2020 Number of shares ('000)	2020 $'000
Company				
Issued and fully paid ordinary shares:				
At the beginning and end of the financial year	**85,292**	**33,190**	85,292	33,190

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For the financial year ended 31 December 2021

23. Share capital *(continued)*

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

24. Fair value reserve

	Group	
	2021	2020
	$'000	$'000
Beginning of financial year	**(1,486)**	(2,357)
Fair value gain/(loss) on financial assets, at FVOCI (Note 15)	**85**	871
Reclassification upon disposal of financial asset, at FVOCI (Note 15)	**534**	–
End of financial year	**(867)**	(1,486)

25. Retained earnings

All retained earnings of the Group and the Company are distributable.

26. Employee compensation

	Group	
	2021	2020
	$'000	$'000
Wages and salaries	**2,577**	2,477
Employer's contribution to defined contribution plans, including Central Provident Fund	**219**	121
	2,796	2,598

27. Related party transaction

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	Group	
	2021	2020
	$'000	$'000
Rental income received from related parties*	**25**	25
Administration fee received from a related party*	**5**	5

* Related parties refer to companies outside of the Group, but with common directors

(b) Key management personnel compensation

	Group	
	2021	2020
	$'000	$'000
Wages and salaries	**1,244**	1,275
Employer's contribution to defined contribution plans, including Central Provident Fund	**35**	36
	1,279	1,311

The above amounts are included under employee compensation in Note 5.

Key management personnel refer to the executive directors of the Company.

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For the financial year ended 31 December 2021

28. Contingencies

Contingent liabilities - *Group*

IPC Property Development (Zhuhai) Ltd ("IPC Zhuhai"), a wholly-owned subsidiary of the Company, is the developer of residential and commercial projects. It is customary for financial institutions in China to require the developers to provide counter-guarantees for mortgage loans extended to buyers of the developers' properties.

Under the counter-guarantee provided by IPC Zhuhai to financial institutions in China, any default on the mortgage loan by the mortgagee will require IPC Zhuhai to pay to the financial institutions the balance amount unrecovered from proceeds of the property sold and other legal recovering proceedings against the mortgagee.

These guarantees will be released upon the issuance of the real estate ownership certificate to buyers and issuance of certificate of mortgage register for real estate ownership to the banks for mortgaged loans entered after 1 January 2005. For mortgage loans entered before 1 January 2005, the guarantees will be released upon the settlement of mortgaged loans between the banks and buyers.

	Group	
	2021	2020
	$'000	$'000
Guarantee given to banks for mortgage facilities granted to IPC Zhuhai's properties	**44**	53

29. Fair value of assets and liabilities

(a) Fair value measurements

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Group				
31 December 2021				
Assets				
Financial assets, at FVPL - Equity investments	–	–	1,366	1,366
Financial assets, at FVOCI - Equity investments	526	–	–	526
Total assets	526	–	1,366	1,892

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29. Fair value of assets and liabilities *(continued)*

(a) Fair value measurements (continued)

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Group				
31 December 2020				
Assets				
Financial assets, at FVPL - Equity investments	–	–	4,352	4,352
Financial assets, at FVOCI - Equity investments	1,334	–	–	1,334
Total assets	1,334	–	4,352	5,686

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Company				
31 December 2021				
Assets				
Financial assets, at FVPL - Equity investments	–	–	1,366	1,366
Total assets	–	–	1,366	1,366

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Company				
31 December 2020				
Assets				
Financial assets, at FVPL - Equity investments	–	–	4,352	4,352
Total assets	–	–	4,352	4,352

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of the reporting period. There were no transfers between Levels 1 and 2 during the year.

The fair value of financial instruments traded in active markets is determined based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The unquoted equity investment in Asia Pacific that is not traded in an active market was classified as Level 3. The fair value of this investment is determined by using valuation techniques. The Group engaged an independent valuer to determine the fair value as at 31 December 2021. The overall valuation approach used by the independent valuer was to first estimate the underlying equity value of the underlying entity using income and market approach, which will then be the input to the option-pricing model used to derive the value of the investment. The independent valuer also used assumptions that are based on market conditions existing at the end of reporting date. As the valuation techniques for this instrument is based on significant unobservable inputs, such instrument is classified as Level 3.

The Singapore's quoted equity investment was classified as Level 3 as the trading of the quoted equity investment continues to be suspended during the financial year. The investment has been fully impaired since its suspension in 2018.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

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For the financial year ended 31 December 2021

29. Fair value of assets and liabilities *(continued)*

(a) Fair value measurements (continued)

The following table presents the changes of the unquoted equity investment designated as financial assets, at FVPL in Level 3 instruments:

	Group	
	2021	2020
	$'000	$'000
Beginning of financial year	**4,352**	22,920
Fair value gain/(loss) through profit or loss	**(2,986)**	(18,568)
End of financial year	**1,366**	4,352

Valuation techniques and inputs used in Level 3 fair value measurements of the unquoted equity investment, and the sensitivity of the inputs with all variables including tax rate being held constant:

Description	**Fair value at 31.12.2021** $'000	**Unobservable inputs**	**Range of unobservable inputs**	**Relationship of unobservable inputs to fair value**	**Sensitivity on loss before tax ("LBT")**
Financial assets, at FVPL - Equity investment in Asia Pacific	$1,366 (2020: $4,352)	Discount rate	9.2% (2020: 10.1%)	The higher the discount rate, the lower the fair value	Increase/decrease by 1%, LBT would increase by $1.1 million (2020: $2.5 million) or decrease by $1.8 million (2020: $3.3 million) respectively.
		Terminal growth rate	0.5% (2020: 0.4%)	The higher the terminal growth rate, the higher the fair value	Increase/decrease by 0.5% (2020: 1%), LBT would decrease by $0.5 million (2020: $2.2 million) or increase by $0.4 million (2020: $1.8 million) respectively.
		Discount on lack of control, marketability and projected growth ("discount")	40% (2020: 40%)	The higher the discount, the lower the fair value	Increase/decrease by 5%, LBT would increase by $0.2 million (2020: $0.4 million) or decrease by $0.2 million (2020: $0.3 million) respectively.
		Revenue growth rate*	10.3% - 122.5% (2020: 15.4% - 73.5%)	The higher the revenue growth rate, the higher the fair value	Increase/decrease by 3%, LBT would decrease by $1.0 million (2020: $1.6 million) or increase by $0.8 million (2020: $2.1 million) respectively.
		Market multiple**	Not applicable	The higher the market multiple, the higher the fair value	Not applicable

* *Actual revenue achieved in FY2020 and FY2021 have declined as a result of the COVID-19 pandemic. Future forecast of revenue growth has taken into account this decline in revenue, which resulted in a significantly lower base year cash flows. As the revenue growth rate is projected upon the base year cash flows, this resulted in the significant range of the revenue growth rate projected. It is assumed that the operations will recover from the COVID-19 from year 2024 (2020: year 2023) onwards.*

** *Market multiples fell into a negative range which makes it Not Applicable.*

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

29. Fair value of assets and liabilities *(continued)*

(b) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the balance sheets and in Note 14 and Note 15 to the financial statements, except for the following:

	Group		Company	
	2021	2020	**2021**	2020
	$'000	$'000	**$'000**	$'000
Financial assets, at amortised cost	**4,357**	8,723	**2,940**	3,776
Financial liabilities, at amortised cost	**7,495**	11,290	**195**	537

30. Segment information

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("CODM") that are used to make strategic decisions. The CODM comprises the Chief Executive Officer, the Managing Director and the Administration and Finance Director.

The CODM considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in three primary geographic areas namely China, Japan and Singapore. All the geographic areas are engaged primarily in the investment and property related business, which includes properties and income producing assets.

Business under "Properties" relates to property development, investing and reselling of properties. Business under "Hotel management" relates to rendering of hotel management services. Business under "Investment" relates to investment in convertible preference shares in Nest Hotel Japan Corporation ("NHJC"). Other services included within Singapore include investments held for trading and investments held for strategic purposes which are included in the "Others" column.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

30. Segment information *(continued)*

The segment information provided to the CODM for the reportable segments is as follows:

	Properties	Hotel management	Investment	Others	Total
	China	China	Japan	Singapore	
	$'000	$'000	$'000	$'000	$'000
Group					
2021					
Revenue and other income					
- external sales	1,757	2,402	–	11	4,170
- other income	540	42	–	138	720
- interest income	3	5	–	2	10
- inter-segment income	276	–	–	–	276
	2,576	2,449	–	151	5,176
Cost of revenue and operating expenses	(2,630)	(1,833)	–	(2,395)	(6,858)
Inter-segment expense	–	(276)	–	–	(276)
Interest expense	–	(538)	–	(9)	(547)
Depreciation	(1,418)	(31)	–	(456)	(1,905)
Other gains/(losses), net	(1,176)	12	(2,986)	95	(4,055)
Profit/(loss) before income tax	(2,648)	(217)	(2,986)	(2,614)	(8,465)
Income tax expense	(267)	–	–	(116)	(383)
Profit/(loss) after income tax	(2,915)	(217)	(2,986)	(2,730)	(8,848)
Total assets	54,041	4,568	1,366	5,212	65,187
Total assets include:					
Additions to:					
- property, plant and equipment	–	26	–	1,093	1,119
Total liabilities	5,070	836	–	1,589	7,495
2020					
Revenue and other income					
- external sales	3,516	1,896	–	–	5,412
- other income	440	31	–	173	644
- interest income	–	5	–	22	27
- inter-segment income	261	–	–	–	261
	4,217	1,932	–	195	6,344
Cost of revenue and operating expenses	(4,379)	(1,612)	–	(2,444)	(8,435)
Inter-segment expense	–	(261)	–	–	(261)
Interest expense	–	(607)	–	(15)	(622)
Depreciation	(1,377)	(224)	–	(469)	(2,070)
Other gains/(losses), net	(4,186)	(502)	(18,568)	8	(23,248)
Profit/(loss) before income tax	(5,725)	(1,274)	(18,568)	(2,725)	(28,292)
Income tax expense	(137)	–	–	–	(137)
Profit/(loss) after income tax	(5,862)	(1,274)	(18,568)	(2,725)	(28,429)
Total assets	58,592	4,366	4,352	7,586	74,896
Total assets include:					
Additions to:					
- property, plant and equipment	90	32	–	31	153
Total liabilities	9,152	799	–	1,339	11,290

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

30. Segment information *(continued)*

The CODM assesses the performance of the operating segments based on a measure of profit/(loss) before tax.

Reportable segments' liabilities are reconciled to total liabilities as follows:

	Group	
	2021	2020
	$'000	$'000
Segment liabilities for reportable segments	**7,495**	11,290
Unallocated:		
- Current income tax liabilities	**338**	11
	7,833	11,301

Revenue from major products and services

Revenue from external customers are derived mainly from the sale of properties and hotel management.

	Group	
	2021	2020
	$'000	$'000
Properties	**1,757**	3,516
Hotel management	**2,402**	1,896
Others	**11**	–
	4,170	5,412

Geographical information

The Group's business segments operate in three main geographic areas:

- Singapore - the Group is headquartered in Singapore and has operations in Singapore. The operations in this area are principally investments held for trading and investments held for strategic purposes.
- China - the operations in this area are principally property investment, property development and hotel management.
- Japan - investment in convertible preference shares in NHJC.

	Group Sales	
	2021	2020
	$'000	$'000
Singapore	**11**	–
China	**4,159**	5,412
	4,170	5,412

	Group Non-current assets	
	2021	2020
	$'000	$'000
Singapore	**1,608**	1,000
China	**46,554**	45,746
	48,162	46,746

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. Financial risk management objectives and policies

The Group and the Company activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits are established in accordance with the objectives and underlying principles approved by the Board of Directors.

The finance personnel measure the exposures against the limits set and prepare regular reports for the review of the management team and the Board of Directors. The information presented below is based on information received by key management.

(a) Market risk

(i) Currency risk

The Group operates mainly in Asia, with dominant operations in Singapore and the China. Entities in the Group regularly transact in the currencies other than their respective functional currencies ("foreign currencies") such as the Singapore Dollar ("SGD") and Chinese Yuan or Renminbi ("RMB").

Currency risk arises when transactions are denominated in foreign currencies.

The Group does not enter into any arrangements or contracts to manage its foreign currency risk arising from cash flows from anticipated transactions and financial arrangements denominated in foreign currencies, primarily the RMB, Hong Kong Dollar ("HKD") and United States Dollar ("USD"). Consequently, transactions are subjected to the fluctuation of foreign currencies.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operations in the China are managed primarily by borrowings and operating cash flows denominated in RMB and HKD, which mitigate currency exposure arising from the subsidiaries' net assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. Financial risk management objectives and policies *(continued)*

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure on the net financial assets/(liabilities) (excluding equity instruments) based on the information provided to key management is as follows:

	SGD	USD	RMB	HKD	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2021						
Financial assets						
Cash and cash equivalents	1,319	1,115	848	412	64	3,758
Trade and other receivables	466	–	133	–	–	599
	1,785	1,115	981	412	64	4,357
Financial liabilities						
Borrowing and lease liabilities	613	–	4,782	–	–	5,395
Trade and other payables	854	–	1,125	121	–	2,100
	1,467	–	5,907	121	–	7,495
Net financial assets/(liabilities)	**318**	**1,115**	**(4,926)**	**291**	**64**	**(3,138)**
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	(318)	–	4,926	121	–	4,729
Currency exposure of net financial assets/ (liabilities) net of those denominated in the respective entities' functional currencies	**–**	**1,115**	**–**	**412**	**64**	**1,591**
At 31 December 2020						
Financial assets						
Cash and cash equivalents	1,202	3,354	3,068	407	68	8,099
Trade and other receivables	220	–	404	–	–	624
	1,422	3,354	3,472	407	68	8,723
Financial liabilities						
Borrowing and lease liabilities	293	–	8,856	–	–	9,149
Trade and other payables	924	–	1,097	120	–	2,141
	1,217	–	9,953	120	–	11,290
Net financial assets/(liabilities)	**205**	**3,354**	**(6,481)**	**287**	**68**	**(2,567)**
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	(205)	–	6,481	118	–	6,394
Currency exposure of net financial assets/ (liabilities) net of those denominated in the respective entities' functional currencies	**–**	**3,354**	**–**	**405**	**68**	**3,827**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. Financial risk management objectives and policies *(continued)*

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure on the net financial assets/(liabilities) (excluding equity instruments) based on the information provided to key management is as follows:

	SGD	USD	HKD	Others	Total
	$'000	$'000	$'000	$'000	$'000
At 31 December 2021					
Financial assets					
Cash and cash equivalents	1,110	952	412	64	2,538
Trade and other receivables	402	–	–	–	402
	1,512	952	412	64	2,940
Financial liabilities					
Lease liabilities	149	–	–	–	149
Trade and other payables	46	–	–	–	46
	195	–	–	–	195
Net financial assets/(liabilities)	**1,317**	**952**	**412**	**64**	**2,745**
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	(1,317)	–	–	–	(1,317)
Currency exposure of net financial assets(liabilities) net of those denominated in the respective entities' functional currencies	**–**	**952**	**412**	**64**	**1,428**
At 31 December 2020					
Financial assets					
Cash and cash equivalents	839	2,295	405	68	3,607
Trade and other receivables	169	–	–	–	169
	1,008	2,295	405	68	3,776
Financial liabilities					
Lease liabilities	293	–	–	–	293
Trade and other payables	244	–	–	–	244
	537	–	–	–	537
Net financial assets/(liabilities)	**471**	**2,295**	**405**	**68**	**3,239**
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	(471)	–	–	–	(471)
Currency exposure of net financial assets/(liabilities) net of those denominated in the respective entities' functional currencies	**–**	**2,295**	**405**	**68**	**2,768**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. Financial risk management objectives and policies *(continued)*

(a) Market risk *(continued)*

(i) Currency risk (continued)

If the USD, RMB and HKD strengthen against the SGD by 3% (2020: 1%), 4% (2020: 2%), and 3% (2020: 1%) respectively with all other variables being held constant, the effects arising from the net financial assets/ (liabilities) (excluding equity instruments) that are exposed to currency risk will be as follows:

	2021		2020	
	Increase/(decrease)			
	Loss before tax	**Other comprehensive income**	Loss before tax	Other comprehensive income
	$'000	**$'000**	$'000	$'000
Group				
USD against SGD	**(33)**	**–**	(34)	–
RMB against SGD	**–**	**(197)**	–	(130)
HKD against SGD	**(12)**	**(4)**	(4)	(1)
Company				
USD against SGD	**(29)**	**–**	(23)	–
HKD against SGD	**(12)**	**–**	(4)	–

The weakening of USD, RMB and HKD against the SGD by 3% (2020: 1%), 4% (2020: 2%) and 3% (2020: 1%) respectively had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

(ii) Price risk

The Group is exposed to equity investments price risks arising from the investments held by the Group which are classified in the balance sheet as financial assets, at FVPL or at FVOCI. These financial assets are either listed or non-listed. To manage its price risk arising from investments in equity investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Board of Directors.

The quoted equity investment listed in Singapore which continues to be suspended are not analysed for price risk sensitivity.

The equity investment in Asia Pacific which is unquoted and its inputs of the fair value measurement are not fully based on observable data, is analysed for price risk sensitivity in Note 29(a).

If prices for equity investments listed in United States increased by 10% (2020: 10%) with all other variables including tax rate being held constant, the effect on other comprehensive loss will be:

	Decrease/(Increase)	
	2021	2020
	$'000	$'000
Group		
Equity investments listed in United States	**53**	133

A 10% (2020: 10%) weakening in equity investments listed in United States would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. Financial risk management objectives and policies *(continued)*

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to changes in interest rates is mainly attributable to its fixed deposits and certain borrowings.

The Group's and Company's fixed deposits exposed to changes in interest rates on which effective hedges have not been entered into are denominated in SGD and USD. The Group's borrowings exposed to changes in interest rates on which effective hedges have not been entered into are denominated in RMB.

At 31 December 2021, if interest rate has increased/decreased by 0.5% (2020: 0.5%) with all other variables being held constant, the Group's loss before tax will be higher/lower by $19,000 (2020: $24,000) and the Company's loss before tax will be lower/higher by $5,000 (2020: $14,000).

Financial assets, at FVPL, financial assets at FVOCI, and other financial assets and liabilities do not have material interest rate risk.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligation resulting in financial loss to the Group.

Credit risk of the Group arises from cash and cash equivalents, credit exposures to customers, and investment in debt instrument. For banks and financial institutions, deposits are placed with regulated banks. For credit exposures to customers, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Trade receivables mainly comprise individual and hotel corporate customers. For the corporate customer trade receivables, the finance personnel will perform credit reviews on new customers before acceptance and an annual review for existing customers. Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The finance personnel will set credit limits (amount and period) by individual counterparty and groups of related counterparties which are required to be within the limits set by the Management. Compliance with credit limits are monitored regularly by credit controllers and exceptions beyond a certain threshold are discussed with the Management.

The individual hotel customers are required to settle all transactions in cash or using credit cards issued by reputable financial institutions. Accordingly, the credit risks on these customer are insignificant.

The Group's and the Company's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

As the Group and the Company do not hold collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheets.

(i) Cash and cash equivalents

The Group and the Company held cash and cash equivalents, as disclosed in Note 10, with banks which are considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. Financial risk management objectives and policies *(continued)*

(b) Credit risk (continued)

(ii) Trade receivables

The Group and the Company use a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group and the Company consider historical loss rates for each category of customers or debtors and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers or debtors to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group and the Company. The Group and the Company consider a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due, and writes off the financial asset when a debtor fails to make contractual payments greater than 120 days past due. Where receivables are written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's and the Company's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 December 2021 by using provision matrix is insignificant.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. The management is in view that the concentration risk is insignificant.

(iii) Other receivables

The Group and the Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group and the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

(iv) Financial assets, at FVOCI

The loss allowance recognised on these assets are measured at the 12-month expected credit losses. The Group's and the Company's credit risk exposure in relation to Financial assets, at FVOCI under SFRS(I) 9 as at 31 December 2021 is insignificant.

(c) Liquidity risk

The Group and Company manages its liquidity risk by maintaining sufficient cash and cash equivalents deemed adequate by management to finance their normal operating commitments and to mitigate the effects of fluctuations in cash flows. The Group and Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. At the end of the reporting period, assets held by the Group and the Company for managing liquidity risk included cash and fixed deposits as disclosed in Note 10.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the end of reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

31. Financial risk management objectives and policies *(continued)*

(c) Liquidity risk (continued)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 Years	Over 5 years
	$'000	$'000	$'000	$'000
Group				
At 31 December 2021				
Trade and other payables	**2,100**	**–**	**–**	**–**
Lease liabilities	**248**	**217**	**148**	**–**
Borrowings	**1,195**	**1,134**	**2,837**	**–**
At 31 December 2020				
Trade and other payables	2,141	–	–	–
Lease liabilities	285	8	–	–
Borrowings	5,598	1,026	3,063	–
Company				
At 31 December 2021				
Trade and other payables	**149**	**–**	**–**	**–**
Lease liabilities	**40**	**2**	**4**	**–**
At 31 December 2020				
Trade and other payables	244	–	–	–
Lease liabilities	285	2	6	–

32. Capital management

The primary objective of the Group's capital management to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. Management monitors capital based on shareholders' equity. Shareholders' equity is made up of share capital, retained earnings, fair value reserve and currency translation reserve.

No changes were made to the objectives, policies and processes during the financial years ended 31 December 2021 and 31 December 2020. The Group is not subject to any externally imposed capital requirement.

33. Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's significant operations and investments are in Singapore, China and Japan, all of which have been affected by the spread of COVID-19 in 2020 and 2021.

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements for the year ended 31 December 2021:

i. The Group has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

ii. In 2020 and 2021, border closures and workplace closures have resulted in periods where the Group's operations were temporarily suspended to adhere to the respective governments' movement control measures. These have negatively impacted real estate's businesses and hospitality business performance in 2020 and 2021, resulting in a negative impact on the Group's financial performance for 2020 and 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

33. Impact of COVID-19 *(continued)*

iii. The Group has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets as at 31 December 2021. The significant estimates and judgement applied on impairment assessment of properties related assets and valuation of investment in convertible preference shares are disclosed in Note 3(a) and Note 3(c) respectively.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2021. If the situation persists beyond management's current expectations, the Group's assets may be subject to further write downs in the subsequent financial periods.

34. Comparative figures

The financial statements for the financial year ended 31 December 2020 were audited by another firm of Chartered Public Accountants.

35. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 8 February 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

36. Listing of all companies in the Group

Name of companies	Principal activities	Country of business/ incorporation	Equity holding 2021 %	Equity holding 2020 %
Subsidiaries held by the Company				
Corex Technology (S) Pte Ltd[c, d]	Compulsory liquidation	Singapore	**100**	100
Corex Systems (S) Pte Ltd[a, c, f]	Assembly of electronic components and trading of electronic products (Dormant)	Singapore	**100**	100
e-ipc (HK) Ltd[c]	Investment holding (Dormant)	Hong Kong	**100**	100
Oday Pte Ltd (formerly known as Essex Electronics (Singapore) Pte Ltd)[a, c, f]	Operate fast food outlets and manufacturing of food products	Singapore	**100**	100
IPC Corporation (Korea) Ltd[c]	Sales and distribution of computers and related products (Dormant)	Korea	**92**	92
IPC Information and Communication (Pte) Ltd[a, c, f]	Provision of commercial value added network services (Dormant)	Singapore	**100**	100
IPC Peripherals (Pte) Ltd[a, f]	Sales and distribution of computer system boards and peripheral products	Singapore	**100**	100
IPC Singapore Pte Ltd[a, c, f]	Investment holding (Dormant)	Singapore	**100**	100
IPC Property Development (Zhuhai) Ltd[e, f]	Investment holding and property development	China	**100**	100
Zhuhai Costa Del Sol Grand nest HOTEL Management Co. Ltd[b, e, f]	Club and hotel management company	China	**75**	75
Associated company held by a subsidiary				
Zhuhai Costa Del Sol Grand nest HOTEL Management Co. Ltd [b, e, f]	Club and hotel management company	China	**25**	25
Associated company held by the Company				
Hagenuk (Pte) Ltd[a, c, f]	Sales and distribution of telecommunication products (Dormant)	Singapore	**50**	50

(a) Audited by Ernst & Young LLP, Singapore.
(b) Effective holding by the Group is 100%.
(c) Immaterial to the Group.
(d) In the process of liquidation.
(e) Audited by Ernst & Young, Hong Kong.
(f) FY2020 were audited by PricewaterhouseCoopers LLP, Singapore.

SHAREHOLDERS' INFORMATION

As at 18 March 2022

Number of equity securities	:	85,291,885
Class of equity securities	:	Ordinary shares
Voting rights	:	One vote per share
Number of treasury shares and subsidiary holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO.OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	7,989	35.70	350,480	0.41
100 – 1,000	11,821	52.83	3,528,363	4.14
1,001 – 10,000	2,222	9.93	6,733,392	7.89
10,001 – 1,000,000	330	1.48	17,554,361	20.58
1,000,001 AND ABOVE	14	0.06	57,125,289	66.98
TOTAL	**22,376**	**100.00**	**85,291,885**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DBS NOMINEES (PRIVATE) LIMITED	16,101,804	18.88
2	ESSEX INVESTMENT (S) PTE LTD	7,558,114	8.86
3	RAFFLES NOMINEES (PTE.) LIMITED	6,079,212	7.13
4	CITIBANK NOMINEES SINGAPORE PTE LTD	5,306,423	6.22
5	OCBC SECURITIES PRIVATE LIMITED	4,607,229	5.40
6	MORPH INVESTMENTS LTD	3,869,300	4.54
7	LIM CHIN CHOO @ELIZABETH LIM	3,351,600	3.93
8	KEE SUE HWA	2,306,400	2.70
9	MAYBANK SECURITIES PTE. LTD.	2,093,083	2.45
10	PHILLIP SECURITIES PTE LTD	1,473,806	1.73
11	LAUW HUI KIAN	1,159,779	1.36
12	NGIAM MIA HAI BERNARD	1,096,029	1.29
13	NGIAM MIA JE PATRICK	1,063,981	1.25
14	NGIAM MIA HONG ALFRED	1,058,529	1.24
15	CHIN KIAN FONG	769,000	0.90
16	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	682,477	0.80
17	TAN ENG KEE	586,750	0.69
18	DB NOMINEES (SINGAPORE) PTE LTD	520,050	0.61
19	LIM BAK	501,700	0.59
20	YC GLOBAL CAPITAL PTE LTD	456,200	0.53
	TOTAL	**60,641,466**	**71.1**

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Approximately 61.91% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST.

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Essex Investment (Singapore) Pte Ltd ("Essex")	7,558,114	8.86	-	-
Ngiam Mia Je Patrick[1]	4,313,981	5.06	11,217,893	13.15
Ngiam Mia Kiat Benjamin[2]	6,053,681	7.10	7,558,114	8.86
Lauw Hui Kian[3]	3,659,779	4.29	11,872,095	13.92
Tan Tiow Hee, Edmond	7,500,000	8.79	-	-

Notes:

1 Deemed interest in 7,558,114 shares held by Essex by virtue of Section 7 of the Companies Act and 3,659,779 shares held by Ms Lauw Hui Kian. A total of 3,250,000 shares held by Mr Ngiam Mia Je Patrick are registered in the name of Raffles Nominees (Pte.) Limited.

2 Deemed interest in 7,558,114 shares held by Essex by virtue of Section 7 of the Companies Act. A total of 5,000,000 shares held by Mr Ngiam Mia Kiat Benjamin are registered in the name of DBS Nominees (Private) Limited.

3 Deemed interest in 7,558,114 shares held by Essex by virtue of Section 7 of the Companies Act and 4,313,981 shares held by Mr Ngiam Mia Je Patrick. A total of 2,500,000 shares held by Ms Lauw Hui Kian are registered in the name of Raffles Nominees (Pte.) Limited.

NOTICE OF ANNUAL GENERAL MEETING

For the financial year ended 31 December 2021

The Notice of the Annual General Meeting (the "**Notice**") of **IPC Corporation Ltd** has been made available on SGXNet. **A printed copy of this Notice will NOT be despatched to Members.**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of IPC Corporation Ltd ("the Company") will be held by way of electronic means on Thursday, 28 April 2022 at 1.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2021 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to Article 90 of the Company's Constitution:

   Mr. Ngiam Mia Hong Alfred
   [See Explanatory Note (i)] **(Resolution 2)**

   Mr. Lee Joo Hai
   [See Explanatory Note (ii)] **(Resolution 3)**

   Mr. Tan Sin Huat, Dennis
   [See Explanatory Note (iii)] **(Resolution 4)**

3. To re-appoint Mr Ngiam Mia Kiat Benjamin pursuant to Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").
   [See Explanatory Note (iv)] **(Resolution 5)**

4. To approve the payment of Directors' fees of S$124,000.00 for the year ended 31 December 2021 (*previous year:* S$124,000.00). **(Resolution 6)**

5. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as Ordinary Resolutions, with or without any modifications:

7. **Authority to allot and issue new shares**

   That pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorised and empowered to:

   (a) (i) allot and issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other Instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

   provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of Listing Manual; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (v)] **(Resolution 8)**

8. **Renewal of Share Buy-Back Mandate**

That :

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the "**Companies Act**"), the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares ("Shares") in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchases (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the directors of the Company as they consider fit, such scheme satisfying all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**");

(b) the authority conferred on the directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the date on which the Annual General Meeting of the Company is held or is required by law to be held;

(ii) the date on which the purchase or acquisition of Shares have been carried out to the full extent of the Share Buy-Back Mandate; or

(iii) the date on which the authority conferred by the Share Buy-Back Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting;

(c) in this Resolution:-

"Prescribed Limit" means the number of Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of passing of this Resolution, unless the Company has reduced its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereafter defined), in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered (excluding any treasury shares and subsidiary holdings);

"Relevant Period" means the period commencing from the date of the passing of this Resolution and expiring on the date on which the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier; and

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase: 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price, where:

"Average Closing Price" is the average of the closing market prices of a Share over the last five Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five-day market period and the day on which the Market Purchase is made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase;

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"Market day" means a day on which the SGX-ST is open for trading in securities; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.
[See Explanatory Note (vi)] **(Resolution 9)**

By Order of the Board

Ngiam Mia Hai Bernard
Secretary

Singapore, 13 April 2022

NOTICE OF ANNUAL GENERAL MEETING

For the financial year ended 31 December 2021

Explanatory Notes:

(i) Mr Ngiam Mia Hong Alfred will, upon re-election as a Director of the Company, remain as the Executive Director of the Company. Detailed information on Mr Ngiam Mia Hong Alfred required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found in the Annual Report.

(ii) Mr Lee Joo Hai will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and a member of Nominating Committee and Remuneration Committee and will be considered independent. Detailed information on Mr Lee Joo Hai required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found in the Annual Report.

(iii) Mr Tan Sin Huat, Dennis will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee and a member of Audit Committee and will be considered independent. Detailed information on Mr Tan required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found in the Annual Report.

(iv) Mr Benjamin Ngiam will, upon re-appointment as a Director of the Company, remain as the Managing Director of the Company. Detailed information on Mr Benjamin Ngiam required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST can be found in the Annual Report.

(v) The Ordinary Resolution 8 proposed in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holding) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holding) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(vi) The Ordinary Resolution 9 proposed in item 8 above, if passed, will empower the Directors of the Company, during the period commencing from the date on which the Ordinary Resolution 9 is passed and expiring on the earliest of the date on which the next Annual General Meeting is held or is required by law to be held, the date on which the purchase of shares has been carried out to the full extent of the mandate or the date the said mandate is revoked or varied by the Company in a general meeting, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price as defined in Ordinary Resolution 9.

The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of shares by the Company pursuant to the Share Buy-Back Mandate is set out in greater detail in the Circular accompanying this notice.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the "**Meeting**") must appoint the Chairman of the Meeting to attend and vote in his/her stead. The Chairman of the Meeting, as proxy, need not be a member of the Company.

2. Due to the Government prevailing regulations to prevent the spread of COVID-19, Members shall attend the Meeting **via electronic means only**.

3. The instrument appointing the Chairman of the Meeting as proxy must be deposited at the Registered Office of the Company at 23 Tai Seng Drive, #06-00, Singapore 535224 or sent by email to agm2021@ipc.com.sg not less than forty-eight (48) hours before the time appointed for holding the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

For the financial year ended 31 December 2021

Participation in the Annual General Meeting ("AGM") via "live" webcast

1. As the AGM will be held by way of electronic means, Members will **NOT** be able to attend the AGM in person. Any member seeking to attend the AGM physically in person will be declined. All Members or their corporate representatives (in the case of Members which are legal entities) will be able to participate in the AGM proceedings by accessing a "live" webcast. To do so, Members are required to pre-register their participation in the AGM ("**Pre-registration**") at this link: www.ipc.com.sg/AGM2021 ("**AGM Registration and Q&A Link**") by **1.00 p.m. on 26 April 2022** ("**Registration Deadline**") for verification of their status as Members (or the corporate representatives of such Members). All questions must be submitted by **1.00 p.m. on 20 April 2022**.

2. Upon successful verification, each such Member or its corporate representative will receive an email by **1.00 p.m. on 27 April 2022**. The email will contain instructions to access the "live" webcast of the AGM proceedings. Members or their corporate representatives must not forward the email to other persons who are not Members and who are not entitled to participate in the AGM proceedings. Members or their corporate representatives who have pre-registered by the Registration Deadline in accordance with paragraph 1 above but did not receive an email by **5.00 p.m. on 27 April 2022** may contact the Company for assistance at agm2021@ipc.com.sg.

3. Members/Investors holding shares through relevant intermediaries (**other than CPF/SRS investors**) will not be able to pre-register for the "live" webcast of the AGM. Such members/investors who wish to participate in the "live" webcast of the AGM should instead approach his/her relevant intermediary as soon as possible in order to make the necessary arrangements.

Voting by proxy

4. Members may only exercise their voting rights at the AGM via proxy voting (see paragraphs 5 to 8 below).

5. Members who wish to vote on any or all of the resolutions at the AGM must appoint the Chairman of the Meeting as their proxy to do so on their behalf, indicating how the Member wished to vote for or vote against or abstain from voting on each resolution.

6. The duly executed proxy form must be deposited at the Registered Office of the Company at **23 Tai Seng Drive, #06-00, Singapore 535224** or sent by email to agm2021@ipc.com.sg not less than forty-eight (48) hours before the time appointed for the holding of the AGM.

7. CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by **1.00 p.m. on 19 April 2022**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by the cut-off date.

8. Please note that Members will not be able to vote through the "live" webcast and can only vote with their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.

Access to documents or information relating to the AGM

9. All documents and information relating to the business of the AGM (including the Circular, Annual Report and the Proxy Form) may be assessed on the Company's website at www.ipc.com.sg and are also available on the SGXNET at www.sgx.com. There will be no printed copies be despatched to Members.

Submission of questions prior to the AGM

10. Members may submit questions related to the resolutions to be tabled at the AGM during Pre-registration via the AGM Registration and Q&A Link by **1.00 p.m. on 20 April 2022** so that they may be addressed before or during the AGM proceedings.

11. The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received in advance of the AGM latest by **25 April 2022**.

12. Please note that Members will **NOT** be able to ask questions at the AGM "live" during the webcast and the audio feed, and therefore it is important for Members to pre-register their participation in order to be able to submit their questions in advance of the AGM. .

13. The Company will publish the minutes of the AGM on SGXNet and the Company's website within one (1) month after the date of AGM.

NOTICE OF ANNUAL GENERAL MEETING

For the financial year ended 31 December 2021

Important reminder

14. Due to the constantly evolving COVID-19 situation, the Company may be required to change its AGM arrangements at short notice. Members are advised to regularly check the Company's announcements released on SGXNet for updates on the AGM. Further, in light of the current COVID-19 measures, which may make it difficult for Members to submit completed proxy forms by post, Members are strongly encouraged to submit completed proxy forms electronically via email.

Personal data privacy:

By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to vote at the AGM and/or any adjournment thereof, or (b) completing the Pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a Member of the Company consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) the processing and administering by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the Meeting as a proxy for the AGM (including any adjournment thereof);

(ii) the processing of the Pre-registration for purposes of granting access to Members (or their corporate representatives in the case of Members which are legal entities) to the live webcast of the AGM proceedings and providing them with any technical assistance where necessary;

(iii) addressing relevant and substantial questions from Members received before the AGM and if necessary, following up with the relevant Members in relation to such questions;

(iv) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

IPC CORPORATION LTD
Company Registration No.198501057M
(Incorporated in Singapore with limited liability)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:
1. A member will not be able to attend the Annual General Meeting ("the Meeting") in person. If a member wishes to exercise his/her/its voting rights at the Meeting, he/she/it must appoint the Chairman of the Meeting as proxy as his/her/its behalf to attend, speak and vote on his/her/its behalf at the Meeting.
2. A relevant intermediary must appoint the Chairman of the Meeting to attend, speak and vote at the Meeting (please see note 3 for the definition of "relevant intermediary").
3. For investors who have used their CPF monies to buy the Company's shares, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. Please read the notes to the Proxy Form.

I/We, ____ (Name)

____ (NRIC/Passport Number/Company Registration Number)

of ____ (Address)

being a member/members of IPC Corporation Ltd (the "**Company**"), hereby appoint:

Chairman of the Meeting

as my/our* proxy to vote for me/us* on my/our* behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held by electronic means on Thursday, 28 April 2022 at 1.00 p.m. and at any adjournment thereof. I/We* direct my/our proxy to vote for, against or abstain from voting on the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matters arising at the Meeting and at any adjournment thereof, the appointment of the Chairman of the Meeting as my/our* proxy will be treated as invalid.

No.	Resolutions relating to:	For(1)	Against(1)	Abstain(1)
1	Directors' Statement and Audited Financial Statements for the year ended 31 December 2021			
2	Re-election of Mr Ngiam Mia Hong Alfred as a Director			
3	Re-election of Mr Lee Joo Hai as a Director			
4	Re-election of Mr Tan Sin Huat, Dennis as a Director			
5	Re-appointment of Mr Ngiam Mia Kiat Benjamin as a Director			
6	Approval of Directors' fees amounting to S$124,000.00			
7	Appointment of Messrs Ernst & Young LLP as Auditors of the Company			
8	Authority to issue new shares			
9	Renewal of Share Buy-Back Mandate			

(1) Voting will be conducted by poll. If you wish to abstain or exercise all your votes "For", "Against" or "Abstain", please tick [√] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _______ day of ____________ 2022

____

Signature of Shareholder(s)
or Common Seal of Corporate Shareholder
*Delete where inapplicable

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member will not be able to attend the Meeting in person and must appoint the Chairman of the Meeting to attend, speak and vote on his/her/its behalf at the Meeting. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid. This proxy form has been made available on the Company's website at www.ipc.com.sg/AGM2021 and the SGXNET at www.sgx.com. There will be NO printed copy of this proxy form be despatched to Members

3. A member who is a relevant intermediary entitled to vote at the Meeting must appoint the Chairman of the Meeting to attend, speak and vote at the Meeting instead of the member.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 1.00 p.m. on 19 April 2022, being 7 working days before the date of the Meeting.

5. The Chairman of the Meeting, as proxy, need not be a member of the Company.

6. The instrument appointing the Chairman of the Meeting as proxy ("**Proxy Form**") must be deposited at the registered office of the Company at 23 Tai Seng Drive, #06-00, Singapore 535224 or email to agm2021@ipc.com.sg not less than forty-eight (48) hours before the time appointed for the Meeting.

7. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the Proxy Form.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to vote at the Annual General Meeting ("AGM") and/or any adjournment thereof, or (b) completing the Pre-registration in accordance with the Notice, or (c) submitting any question prior to the AGM in accordance with the Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) the processing and administering by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the Meeting as a proxy for the AGM (including any adjournment thereof);

(ii) the processing of the Pre-registration for purposes of granting access to members (or their corporate representatives in the case of members which are legal entities) to the live webcast of the AGM proceedings and providing them with any technical assistance where necessary;

(iii) addressing relevant and substantial questions from Members received before the AGM and if necessary, following up with the relevant members in relation to such questions;

(iv) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

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