

**IPC CORPORATION LTD  
AND ITS SUBSIDIARIES**

**SGX APPENDIX 7.2 ANNOUNCEMENT  
FOR THE 6 MONTHS AND FULL YEAR ENDED  
31 DECEMBER 2021**

<b>Contents</b>	<b>Page</b>
Condensed interim consolidated statement of comprehensive income	1
Condensed interim statements of financial position	2
Condensed interim statements of changes in equity	3
Condensed interim consolidated statement of cash flows	5
Notes to the condensed interim consolidated financial statements	6
Other information required by Listing Rule Appendix 7.2	15

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021**

	Notes	Group 6 months ended 31 Dec			Group 12 months ended 31 Dec		
		2021	2020	%	2021	2020 (Audited)	%
		S\$'000	S\$'000		S\$'000	S\$'000	
Sales	3	<b>2,862</b>	4,903	(41.6)	<b>4,170</b>	5,412	(22.9)
Cost of sales		<b>(3,132)</b>	(5,301)	(40.9)	<b>(4,688)</b>	(6,482)	(27.7)
Gross profit/(loss)		<b>(270)</b>	(398)	(32.2)	<b>(518)</b>	(1,070)	(51.6)
Other income	5	<b>318</b>	282	12.8	<b>730</b>	671	8.8
Other gains/(losses), net	5	<b>(1,489)</b>	(4,259)	(65.0)	<b>(4,055)</b>	(23,248)	(82.6)
Expenses	5						
Distribution and marketing		<b>(182)</b>	(131)	38.9	<b>(331)</b>	(253)	30.8
Administrative		<b>(1,935)</b>	(1,557)	24.3	<b>(3,744)</b>	(3,770)	(0.7)
Finance		<b>(237)</b>	(333)	(28.8)	<b>(547)</b>	(622)	(12.1)
		<b>(2,354)</b>	(2,021)	16.5	<b>(4,622)</b>	(4,645)	(0.5)
Profit/(loss) before income tax		<b>(3,795)</b>	(6,396)	(40.7)	<b>(8,465)</b>	(28,292)	(70.1)
Income tax credit/(expense)	6	<b>(335)</b>	(137)	N.M	<b>(383)</b>	(137)	NM
Total profit/(loss)		<b>(4,130)</b>	(6,533)	(36.8)	<b>(8,848)</b>	(28,429)	(68.9)
<b>Other comprehensive income/(loss)</b>							
Items that may be reclassified subsequently to profit or loss:							
Currency translation gain/(loss) arising from consolidation		<b>1,165</b>	1,780	(34.6)	<b>2,522</b>	3,243	(22.2)
Items that will not be reclassified subsequently to profit or loss:							
Financial assets, at FVOCI – equity investments							
- Fair value gain/(loss)		<b>(279)</b>	626	N.M	<b>85</b>	871	(90.2)
<b>Other comprehensive income/(loss), net of tax</b>		<b>886</b>	2,406	(63.2)	<b>2,607</b>	4,114	(36.6)
<b>Total comprehensive income/(loss)</b>		<b>(3,244)</b>	(4,127)	(21.4)	<b>(6,241)</b>	(24,315)	(74.3)
<b>Earnings/(losses) per share for profit/(loss) attributable to equity holders of the Company</b>							
(cents per share)							
- Basic		<b>(4.84)</b>	(7.66)		<b>(10.37)</b>	(33.33)	
- Diluted		<b>(4.84)</b>	(7.66)		<b>(10.37)</b>	(33.33)	

NM: Not meaningful (change more than 100%)

NA: Not applicable

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Notes	Group		Company	
		31 Dec 2021	31 Dec 2020 (Audited)	31 Dec 2021	31 Dec 2020 (Audited)
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		3,758	8,099	2,538	3,607
Trade and other receivables		398	754	152	169
Properties developed for sale	13	10,932	11,040	–	–
Properties held for sale	13	–	2,526	–	–
Other assets		45	45	–	–
		<b>15,133</b>	<b>22,464</b>	<b>2,690</b>	<b>3,776</b>
<b>Non-current assets</b>					
Financial assets, at FVPL	9	1,366	4,352	1,366	4,352
Financial assets, at FVOCI	10	526	1,334	–	–
Other receivables		329	37	250	–
Investment in associated companies		–	–	–	–
Investment in subsidiaries	11	–	–	58,700	61,449
Property, plant and equipment		47,833	46,709	675	999
		<b>50,054</b>	<b>52,432</b>	<b>60,991</b>	<b>66,800</b>
<b>Total assets</b>		<b>65,187</b>	<b>74,896</b>	<b>63,681</b>	<b>70,576</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		2,100	2,141	149	244
Current income tax liabilities		338	11	116	–
Lease liabilities		248	285	40	285
Borrowings	14	915	5,201	–	–
		<b>3,601</b>	<b>7,638</b>	<b>305</b>	<b>529</b>
<b>Non-current liabilities</b>					
Lease liabilities		365	8	6	8
Borrowings	14	3,867	3,655	–	–
		<b>4,232</b>	<b>3,663</b>	<b>6</b>	<b>8</b>
<b>Total liabilities</b>		<b>7,833</b>	<b>11,301</b>	<b>311</b>	<b>537</b>
<b>NET ASSETS</b>		<b>57,354</b>	<b>63,595</b>	<b>63,370</b>	<b>70,039</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital	8	33,190	33,190	33,190	33,190
Currency translation reserve		157	(2,365)	–	–
Fair value reserve		(867)	(1,486)	–	–
Retained earnings		24,874	34,256	30,180	36,849
<b>Total equity</b>		<b>57,354</b>	<b>63,595</b>	<b>63,370</b>	<b>70,039</b>

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE 6 MONTHS AND YEAR ENDED 31 DECEMBER 2021**

	Attributable to Equity Holders of the Company				
	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>Group</b>					
<b>2021</b>					
<b>As at 1 January</b>	<b>33,190</b>	<b>(2,365)</b>	<b>(1,486)</b>	<b>34,256</b>	<b>63,595</b>
<b>Total comprehensive income/(loss) for the period</b>					
Profit/(loss) for the period	–	–	–	(4,718)	(4,718)
Transfer upon disposal of financial assets, at FVOCI	–	–	230	(230)	–
Other comprehensive income/(loss) for the period	–	1,357	364	–	1,721
	<b>–</b>	<b>1,357</b>	<b>594</b>	<b>(4,948)</b>	<b>(2,997)</b>
<b>As at 30 June</b>	<b>33,190</b>	<b>(1,008)</b>	<b>(892)</b>	<b>29,308</b>	<b>60,598</b>
<b>Total comprehensive income/(loss) for the period</b>					
Profit/(loss) for the period	–	–	–	(4,130)	(4,130)
Transfer upon disposal of financial assets, at FVOCI	–	–	304	(304)	–
Other comprehensive income/(loss) for the period	–	1,165	(279)	–	886
	<b>–</b>	<b>1,165</b>	<b>25</b>	<b>(4,434)</b>	<b>(3,244)</b>
<b>As at 31 December</b>	<b>33,190</b>	<b>157</b>	<b>(867)</b>	<b>24,874</b>	<b>57,354</b>
<b>2020</b>					
<b>As at 1 January</b>	<b>33,190</b>	<b>(5,608)</b>	<b>(2,357)</b>	<b>62,685</b>	<b>87,910</b>
<b>Total comprehensive income/(loss) for the period</b>					
Profit/(loss) for the period	–	–	–	(21,896)	(21,896)
Other comprehensive income/(loss) for the period	–	1,463	245	–	1,708
	<b>–</b>	<b>1,463</b>	<b>245</b>	<b>(21,896)</b>	<b>(20,188)</b>
<b>As at 30 June</b>	<b>33,190</b>	<b>(4,145)</b>	<b>(2,112)</b>	<b>40,789</b>	<b>67,722</b>
<b>Total comprehensive income/(loss) for the period</b>					
Profit/(loss) for the period	–	–	–	(6,533)	(6,533)
Other comprehensive income/(loss) for the period	–	1,780	626	–	2,406
	<b>–</b>	<b>1,780</b>	<b>626</b>	<b>(6,533)</b>	<b>(4,127)</b>
<b>As at 31 December</b>	<b>33,190</b>	<b>(2,365)</b>	<b>(1,486)</b>	<b>34,256</b>	<b>63,595</b>

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE 6 MONTHS AND YEAR ENDED 31 DECEMBER 2021**

<u>Company</u>	Share capital	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000
<b>2021</b>			
As at 1 January	33,190	36,849	70,039
<b>Total comprehensive income/(loss) for the period</b>			
Profit/(loss) for the period	-	(1,117)	(1,117)
	-	(1,117)	(1,117)
<b>As at 30 June</b>	<b>33,190</b>	<b>35,732</b>	<b>68,922</b>
<b>Total comprehensive income/(loss) for the period</b>			
Profit/(loss) for the period	-	(5,552)	(5,552)
	-	(5,552)	(5,552)
<b>As at 31 December</b>	<b>33,190</b>	<b>30,180</b>	<b>63,370</b>
<b>2020</b>			
As at 1 January	33,190	81,295	114,485
<b>Total comprehensive income/(loss) for the period</b>			
Profit/(loss) for the period	-	(19,125)	(19,125)
	-	(19,125)	(19,125)
<b>As at 30 June</b>	<b>33,190</b>	<b>62,170</b>	<b>95,360</b>
<b>Total comprehensive income/(loss) for the period</b>			
Profit/(loss) for the period	-	(25,321)	(25,321)
	-	(25,321)	(25,321)
<b>As at 31 December</b>	<b>33,190</b>	<b>36,849</b>	<b>70,039</b>

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021**

	Group		Group	
	6 months ended 2021	31 Dec 2020	12 months ended 2021	31 Dec 2020 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Profit/(loss) before tax	(3,795)	(6,396)	(8,465)	(28,292)
Adjustments for				
- Depreciation	980	930	1,905	2,070
- Unrealised translation losses/(gains)	(92)	78	(186)	(96)
- Gains on disposal of property, plant and equipment	-	-	(76)	-
- Fair value loss/(gain) on financial assets, at FVPL	1,336	917	2,986	18,568
- Write-down on properties held for sale	-	604	803	604
- Write-down on properties developed for sale	124	2,801	385	4,288
- Written off of other receivable	57	1	58	1
- Interest income	(3)	(3)	(10)	(27)
- Interest expenses	237	333	547	622
	<u>(1,156)</u>	<u>(735)</u>	<u>(2,053)</u>	<u>(2,262)</u>
Change in working capital				
- Other assets	(4)	(2)	-	(6)
- Properties	1,792	3,888	2,012	3,888
- Trade and other receivables	(183)	(133)	6	(75)
- Trade and other payables	163	(86)	(48)	(12)
Cash generated from/(used in) operations	<u>612</u>	<u>2,932</u>	<u>(83)</u>	<u>1,533</u>
Interest received	3	3	10	27
Income tax paid, net	-	(126)	(59)	(137)
<b>Net cash provided by/(used in) operating activities</b>	<u>615</u>	<u>2,809</u>	<u>(132)</u>	<u>1,423</u>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	(77)	(28)	(421)	(122)
Proceed of disposal of property, plant and equipment	-	-	406	-
Proceed of disposal of financial assets, at FVOCI	588	-	893	-
<b>Net cash provided by/(used in) investing activities</b>	<u>511</u>	<u>(28)</u>	<u>878</u>	<u>(122)</u>
<b>Cash flows from financing activities</b>				
Interest paid	(237)	(333)	(547)	(622)
Proceeds from borrowings	320	399	938	399
Repayment of borrowings	(4,514)	(40)	(5,338)	(80)
Principal payment of lease liabilities	(201)	(185)	(374)	(316)
<b>Net cash provided by/(used in) financing activities</b>	<u>(4,632)</u>	<u>(159)</u>	<u>(5,321)</u>	<u>(619)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(3,506)</u>	<u>2,622</u>	<u>(4,575)</u>	<u>682</u>
Cash and cash equivalents at beginning of financial period	7,166	5,687	8,099	7,440
Effects of currency translation on cash and cash equivalents	98	(210)	234	(23)
<b>Cash and cash equivalents at end of financial period</b>	<u>3,758</u>	<u>8,099</u>	<u>3,758</u>	<u>8,099</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS AND FULL 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 address of its registered office is 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, operate fast food outlets and manufacture of food products.

### 2. BASIS OF PREPARATION

The condensed interim financial statements for the 6 months and full year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s. There are no changes in the accounting policies or methods of computation effective for annual periods beginning on or after 1 January 2021.

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

The preparation of interim financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets within the next interim period are included in the following notes:

- Note 9 - Valuation of investment in convertible preference shares
- Note 11 - Investments in subsidiaries with property-related assets
- Note 13 - Impairment assessment of property-related assets

### 3. SEGMENT AND REVENUE INFORMATION

These operating segments are reported in a manner consistent with internal reporting provided to 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” relate 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.

### 3.1 REPORTABLE SEGMENTS

	<u>Properties</u>	<u>Hotel</u> <u>management</u>	<u>Investment</u>	<u>Others</u>	<u>Total</u>
	<u>China</u> S\$'000	<u>China</u> S\$'000	<u>Japan</u> S\$'000	<u>Singapore</u> S\$'000	S\$'000
<b>Group</b>					
<b>12 months ended 31 Dec 2021</b>					
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
	<u>2,576</u>	<u>2,449</u>	<u>-</u>	<u>151</u>	<u>5,176</u>
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)
<b>As at 31 Dec 2021</b>					
Total assets	<u>54,041</u>	<u>4,568</u>	<u>1,366</u>	<u>5,212</u>	<u>65,187</u>
Total assets include:					
Additions to:					
- property, plant and equipment	-	26	-	1,093	1,119
Total liabilities	<u>5,070</u>	<u>836</u>	<u>-</u>	<u>1,589</u>	<u>7,495</u>
<b>12 months ended 31 Dec 2020</b>					
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
	<u>4,217</u>	<u>1,932</u>	<u>-</u>	<u>195</u>	<u>6,344</u>
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)
<b>As at 31 Dec 2020</b>					
Total assets	<u>58,592</u>	<u>4,366</u>	<u>4,352</u>	<u>7,586</u>	<u>74,896</u>
Total assets include:					
Additions to:					
- property, plant and equipment	90	32	-	31	153
Total liabilities	<u>9,152</u>	<u>799</u>	<u>-</u>	<u>1,339</u>	<u>11,290</u>



### 3.1 REPORTABLE SEGMENTS (continued)

Group	Properties	Hotel management	Investment	Others	Total
	China S\$'000	China S\$'000	Japan S\$'000	Singapore S\$'000	S\$'000
<b>6 months ended 31 Dec 2021</b>					
Revenue and other income					
- external sales	1,463	1,388	–	11	2,862
- other income	269	28	–	18	315
- interest income	2	–	–	1	3
- inter-segment income	162	–	–	–	162
	<u>1,896</u>	<u>1,416</u>	<u>–</u>	<u>30</u>	<u>3,342</u>
Cost of revenue and operating expenses	(2,171)	(945)	–	(1,153)	(4,269)
Inter-segment expense	–	(162)	–	–	(162)
Interest expense	–	(233)	–	(4)	(237)
Depreciation	(718)	(18)	–	(244)	(980)
Other gains/(losses), net	(920)	801	(1,336)	(34)	(1,489)
Profit/(loss) before income tax	<u>(1,913)</u>	<u>859</u>	<u>(1,336)</u>	<u>(1,405)</u>	<u>(3,795)</u>
Income tax expense	(219)	–	–	(116)	(335)
Profit/(loss) after income tax	<u>(2,132)</u>	<u>859</u>	<u>(1,336)</u>	<u>(1,521)</u>	<u>(4,130)</u>
<b>6 months ended 31 Dec 2020</b>					
Revenue and other income					
- external sales	3,516	1,387	–	–	4,903
- other income	218	19	–	42	279
- interest income	–	3	–	–	3
- inter-segment income	130	–	–	–	130
	<u>3,864</u>	<u>1,409</u>	<u>–</u>	<u>42</u>	<u>5,315</u>
Cost of revenue and operating expenses	(4,181)	(923)	–	(955)	(6,059)
Inter-segment expense	–	(130)	–	–	(130)
Interest expense	–	(326)	–	(7)	(333)
Depreciation	(681)	(15)	–	(234)	(930)
Other gains/(losses), net	(2,737)	(464)	(917)	(141)	(4,259)
Profit/(loss) before income tax	<u>(3,735)</u>	<u>(449)</u>	<u>(917)</u>	<u>(1,295)</u>	<u>(6,396)</u>
Income tax expense	(137)	–	–	–	(137)
Profit/(loss) after income tax	<u>(3,872)</u>	<u>(449)</u>	<u>(917)</u>	<u>(1,295)</u>	<u>(6,533)</u>

#### Revenue from major products and services

Revenue from external customers are derived mainly from the sale of properties and hotel management. All the revenue are recognised at a point in time.

	Group		Group	
	6 month ended 31 Dec 2021	2020	12 months ended 31 Dec 2021	2020 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Properties	1,463	3,516	1,757	3,516
Hotel management	1,388	1,387	2,402	1,896
Others	11	–	11	–
	<u>2,862</u>	<u>4,903</u>	<u>4,170</u>	<u>5,412</u>

#### 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.

### 3.1 REPORTABLE SEGMENTS (continued)

#### Geographical information (continued)

	<u>Group</u> <u>Sales</u>		<u>Group</u> <u>Sales</u>	
	6 month ended 31 Dec 2021	2020	12 months ended 31 Dec 2021	2020 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
China	2,851	4,903	4,159	5,412
Singapore	11	–	11	–
	<b>2,862</b>	<b>4,903</b>	<b>4,170</b>	<b>5,412</b>

### 4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and financial liabilities as at 31 December 2021 and 2020:

	<u>Group</u>		<u>Company</u>	
	31.12.21	31.12.20 (Audited)	31.12.21	31.12.20 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets, at FVPL	1,366	4,352	1,366	4,352
Financial assets, at FVOCI	526	1,334	–	–
Financial assets, at amortised cost	<b>4,357</b>	<b>8,723</b>	<b>2,940</b>	<b>3,776</b>
Financial liabilities, at amortised cost	<b>7,495</b>	<b>11,290</b>	<b>195</b>	<b>537</b>

### 5. PROFIT/(LOSS) BEFORE INCOME TAX

#### 5.1 SIGNIFICANT ITEMS

	<u>Group</u>		<u>Group</u>	
	6 month ended 31 Dec 2021	2020	12 months ended 31 Dec 2021	2020 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Other income</b>				
Interest income	(3)	(3)	(10)	(27)
Rental income (on operating leases)	(281)	(229)	(564)	(461)
Government grant income - Jobs Support Scheme	–	(8)	(98)	(105)
Others	(34)	(42)	(58)	(78)
<b>Expense</b>				
Depreciation	980	930	1,905	2,070
Interest expenses	237	333	547	622
<b>Other (gains)/losses</b>				
Foreign exchange losses/(gains), net	(28)	(64)	(101)	(213)
Fair value loss/(gain) on financial assets, at FVPL	1,336	917	2,986	18,568
Write-down on properties held for sale	–	604	803	604
Write-down on properties developed for sale	124	2,801	385	4,288
Written off of other receivable	57	1	58	1
Gain on disposal of property, plant and equipment	–	–	(76)	–

#### 5.2 RELATED PARTY TRANSACTIONS

There are no material related party transactions.

## 6. TAXATION

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	<u>Group</u>		<u>Group</u>	
	6 month ended 31 Dec <b>2021</b>	2020	12 months ended 31 Dec <b>2021</b>	2020 (Audited)
	<b>S\$'000</b>	S\$'000	<b>S\$'000</b>	S\$'000
Local taxes				
- Under/(over) provision in prior financial years	<b>116</b>	–	<b>116</b>	–
Foreign taxes				
- Land appreciation tax expenses	<b>19</b>	137	<b>19</b>	137
- Under/(over) provision in prior financial years	<b>200</b>	–	<b>248</b>	–
	<b>335</b>	137	<b>383</b>	137

## 7. NET ASSET VALUE

	<u>Group</u>		<u>Company</u>	
	31.12.21	31.12.20 (Audited)	31.12.21	31.12.20 (Audited)
Net asset per ordinary share	<b>S\$0.67</b>	S\$0.75	<b>S\$0.74</b>	S\$0.82

## 8. SHARE CAPITAL

	No. of ordinary shares Issued share capital '000	Amount Share capital S\$'000
<b><u>Group and Company</u></b>		
<b>31 December 2021</b>		
Beginning and end of financial year	<b>85,292</b>	<b>33,190</b>
<b>31 December 2020</b>		
Beginning and end of financial year	85,292	33,190

The Company do not hold any treasury shares as at 31 December 2021 and 2020.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 2020.

## 9. FINANCIAL ASSETS, AT FVPL

	<u>Group and Company</u>	
	31.12.21 <b>S\$'000</b>	31.12.20 (Audited) S\$'000
Financial assets, at FVPL		
Unquoted investments		
- equity investments - Asia Pacific	<b>1,366</b>	4,352

## 10. FINANCIAL ASSETS, AT FVOCI

	<u>Group</u>	
	31.12.21 <b>S\$'000</b>	31.12.20 (Audited) S\$'000
Financial assets, at FVOCI		
Quoted investments		
- equity investments – United States	<b>526</b>	1,334

## 11. Investment in subsidiaries

	<u>Company</u>	
	31.12.21	31.12.20 (Audited)
	S\$'000	S\$'000
Equity investment at cost		
Cost	38,337	38,287
Loans to subsidiaries	57,859	57,767
	<b>96,196</b>	96,054
Less: Accumulated impairment	<b>(37,496)</b>	(34,605)
	<b>58,700</b>	61,449

The Company assesses impairment in the investments in the subsidiaries by 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 13.

## 12. FAIR VALUE MEASUREMENT

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

<u>Group</u>	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Total</u> S\$'000
<b>31 December 2021</b>				
<b>Assets</b>				
Financial assets, at FVPL				
- Equity investments	-	-	1,366	1,366
Financial assets, at FVOCI				
- Equity investments	526	-	-	526
<b>Total assets</b>	<b>526</b>	<b>-</b>	<b>1,366</b>	<b>1,892</b>
<b>31 December 2020</b>				
<b>Assets</b>				
Financial assets, at FVPL				
- Equity investments	-	-	4,352	4,352
Financial assets, at FVOCI				
- Equity investments	1,334	-	-	1,334
<b>Total assets</b>	<b>1,334</b>	<b>-</b>	<b>4,352</b>	<b>5,686</b>
<u>Company</u>				
<b>31 December 2021</b>				
<b>Assets</b>				
Financial assets, at FVPL				
- Equity investments	-	-	1,366	1,366
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>1,366</b>	<b>1,366</b>
<b>31 December 2020</b>				
<b>Assets</b>				
Financial assets, at FVPL				
- Equity investments	-	-	4,352	4,352
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>4,352</b>	<b>4,352</b>

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. 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.

## 12. FAIR VALUE MEASUREMENT (continued)

The material assumptions used in the computation of the valuation that varied between the valuation reports as at 31 December 2021 and 2020 are as follows:

	<u>31 Dec 2021</u>	<u>31 Dec 2020</u> (Audited)	<u>Relationship of unobservable inputs to fair value</u>
Discount rate	9.2%	10.1%	The higher the discount rate, the lower the fair value
Terminal growth rate	0.5%	0.4%	The higher the terminal growth rate, the higher the fair value
Discount on lack of control, marketability and projected growth	40%	40%	The higher the discount, the lower the fair value
Revenue growth rate	10.3% - 122.5%*	15.4% - 73.5%*	The higher the revenue growth rate, the higher the fair value
Market multiple	Not applicable**	Not applicable**	The higher the market multiple, the higher the fair value

\* The revenue for the period under review and the 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.

## 13. PROPERTIES RELATED ASSETS

	<u>Group</u>	
	<b>31.12.21</b>	31.12.20
	<b>S\$'000</b>	(Audited) S\$'000
Properties developed for sale	<b>10,932</b>	11,040
Properties held for sale	-	2,526
Property, plant and equipment	<b>46,505</b>	45,689

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

The 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 S\$0.385 million was required for properties developed for sale (Note 5.1) and total write-down of S\$0.803 million was required for properties held for sale (Note 5.1).

The following table presents key inputs that were used to determine the impairment of properties developed for sale, properties held for sale and properties, plant and equipment:

<u>Description</u>	<u>Inputs</u>	<u>Range of inputs</u>		<u>Relationship of inputs to value</u>
		<u>31.12.2021</u>	<u>31.12.2020</u> (Audited)	
Properties developed for sale	Capitalisation rate	NM*	5.0% - 5.5%	The higher the capitalisation rate, the lower the value
(2020: Properties developed for sale and properties held for sale)	Rental growth rate	NM*	2.5% - 3.5%	The higher the rental growth rate, the higher the value
Property, plant and equipment	Capitalisation rate	5.5%	5.5%	The higher the capitalisation rate, the lower the value
	Rental growth rate	3.0%	3.0%	The higher the rental growth rate, the higher the value

\* Income method for the properties developed for sale is not meaningful and has been excluded by the valuer as at 31 Dec 2021.

## 14. BORROWINGS

	31.12.21	<u>Group</u>	31.12.20 (Audited)
	S\$'000		S\$'000
<i>Current</i>			
- Bank borrowings (secured)	915		5,201
<i>Non-current</i>			
- Bank borrowings (secured)	3,867		3,655
	<b>4,782</b>		<b>8,856</b>

Bank borrowings were secured by pledge of certain property related assets classified within properties, plant and equipment (Note 13) in Zhuhai, China.

## 15. 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.

	31.12.21	<u>Group</u>	31.12.20 (Audited)
	S\$'000		S\$'000
Guarantee given to banks for mortgage facilities	44		53

## 16. SEASONAL OPERATIONS

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## 17. RECLASSIFICATIONS AND COMPARATIVE FIGURES

Prepaid leasehold land presented separately on the statement of financial position in previous financial year has been reclassified as prepaid leasehold land under property, plant and equipment to properly reflect its nature.

The effect of the above reclassification is summarised as follows:

	Previously reported 31.12.20 (Audited) S\$'000	<u>Group</u>	After reclassification 31.12.20 S\$'000
<b><u>Condensed interim statement of financial position</u></b>			
Prepaid leasehold land	19,446		-
Property, plant and equipment	27,263		46,709

17. RECLASSIFICATIONS AND COMPARATIVE FIGURES (continued)

	Previously reported 12 months ended 31.12.20 S\$'000	<u>Group</u> After reclassification 12 months ended 31.12.20 S\$'000
<b><u>Condensed interim consolidated statement of comprehensive income and condensed interim consolidated statement of cash flows</u></b>		
Amortisation of prepaid leasehold land	461	–
Depreciation of property, plant and equipment	1,609	2,070

## OTHER INFORMATION

### 1. Review

The condensed interim consolidated statement of financial positions of the Company and its subsidiaries as at 31 December 2021 and the related condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the 6 months period then ended and certain explanatory notes have not been audited or reviewed.

### 2. Review of performance of the Group

The Group recorded sales of S\$2.862 million for the 6 months ended 31 December 2021 compared to S\$4.903 million for the previous corresponding financial period. The decrease was due to the decrease in the sales of the properties in China.

The Group recorded a gross loss of S\$0.270 million for the 6 months ended 31 December 2021 compared to a gross loss of S\$0.398 million for the previous corresponding financial period. The decrease in gross loss for the financial period under review was in tandem with the decrease in the sales of the properties in China.

The Group recorded a loss before tax of S\$3.795 million and a loss after tax of S\$4.130 million for the 6 months ended 31 December 2021.

#### Explanation Note:

#### Consolidated statement of comprehensive income

1. Gross profit/(loss)  
The decrease in gross loss for the financial period under review was mainly due to the decrease in the sales of the properties in China.
2. Other income  
The increase in other income was mainly due to higher rental income from Zhuhai, China.
3. Other gains/(losses), net  
The decrease in other losses was mainly due to lower write-down on properties in China.
4. Distribution and marketing expense and administrative expense  
The increase was mainly due to more marketing cost and administrative expense incurred in the operations of Zhuhai, China and Singapore.  
  
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.
5. Finance cost  
The decrease was mainly due to lower bank borrowings in Zhuhai, China.
6. Foreign exchange losses/(gains), net  
The decrease in the foreign exchange gains was mainly due to lower cash in banks denominated in foreign currencies.
7. Fair value loss on financial assets, at FVPL  
The increase was mainly due to higher fair value loss on financial assets, at FVPL which relates to the Group's preference shares investment in Nest Hotel Japan Corporation ("NHJC"). The preference shares held by the Group represent approximately 42.8% equity of NHJC when converted into common stocks.
8. The other movement in the exchange rates of United States Dollar, Hong Kong Dollar and Renminbi against the Singapore Dollar was mainly unrealised, due to recorded monetary balances denominated in foreign currencies that were adjusted to reflect the Singapore Dollars equivalent at the end of the reporting period.

#### Group's statement of financial position

- (i) The decrease in cash and cash equivalents was mainly used in operating activities and repayment of the borrowings.
- (ii) The decrease in current trade and other receivables was mainly due to collection of debts from the operations in Zhuhai, China
- (iii) The properties held for sale was sold during the financial year.



## 2. Review of performance of the Group (continued)

### Group's statement of financial position (continued)

- (iv) The decrease in the financial assets, at FVPL was due to the fair value loss on preference shares investment in NHJC, Japan.
- (v) The decrease in the financial assets, at FVOCI was due to the disposal during the financial year.
- (vi) The increase of other receivables in non-current assets was mainly due to a loan granted to an entity, against its shares pledged, in which the Company has on-going discussion for future business collaboration.
- (vii) The increase in current income tax liabilities was mainly due to foreign tax on land appreciation expense in China and the under provision of prior year income tax expense.
- (viii) The decrease in lease liabilities was mainly due to repayment made during the financial year.
- (ix) The decrease in borrowings was due to repayment made during the financial year.

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

The commentary under page 13 item 4 of the Group's previous results announcement (Q2 FY2021) are in line with the actual results.

## 4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

In Japan, NHJC opened 2 new hotels in April 2021 under its management; namely Nest Hotel Naha Kumoji, Okinawa has 120 rooms, and Bespoke Hotel Sapporo, Hokkaido has 125 rooms. During the period under review, the number of hotels under NHJC's management was reduced from 17 to 16 due to the closure of Nest Hotel Naha, Okinawa because of the expiration of the fixed-term lease agreement.

The only new hotel in the pipeline is in the midst of completion but the opening date cannot be ascertained due to the ongoing virus infections.

With the new wave of Omicron infections in Japan, the business of NHJC remains disrupted and negatively impacted.

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

Notwithstanding the improved operating performance of Grand nest HOTEL zhuhai, in the 3rd quarter of FY2021 as compared with the same period of FY2020, the last quarter of FY2021 was hit by re-emergence of COVID-19 cases in different parts of China. Consequently reservations on MICE events at the Group's facilities were cancelled.

With a new COVID-19 variant - Omicron, which is more infectious and has surfaced in many parts of China including Zhuhai, the Group expect another challenging year for the business of Grand nest HOTEL zhuhai, in particular the 1st Half of FY2022 due to strict social distancing and lockdown measures in China.

The Group will stay focused on mitigating the negative impact resulting from the pandemic on its operations and business.

**5. Dividend**

**(a) Current Financial Period Reported On**

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

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**6. If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared/recommendeded for the period.

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

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

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

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

**9. Additional information required Pursuant to Rule 706A of the Listing Manual.**

Not applicable.

**Disclosure of person occupying a managerial position in the issuer of any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ngiam Mia Je Patrick	67	Please see notes below	Chairman and Chief Executive Officer.  Responsible for the overall management of the Group.  The positions were held since 1992.	No change
Ngiam Mia Kiat Benjamin	65	Please see notes below	Managing Director.  Responsible for the operations of the Group.  The position was held since 1992.	No change
Lauw Hui Kian	65	Please see notes below	Executive Director (Finance & Administration)  Controlling the administration and finance activities of the Group.  The position was held since 1985.	No change
Ngiam Mia Hai Bernard	61	Please see notes below	Executive Director (Marketing & Corporate Communications, Business Development)  Managing the marketing activities and corporate communications of the Group and engaging in business development/investment activities.  The position was held since 1985.	No change
Ngiam Mia Hong Alfred	58	Please see notes below	Executive Director (Business Development & IT Solutions)  Responsible for all aspects of the IT solutions of the Group and engage in business development/investment activities.  The position was held since 1991.	No change

**Notes:**

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

**BY ORDER OF THE BOARD**

Lauw Hui Kian  
Director  
4 February 2022