

**IPC CORPORATION LTD
AND ITS SUBSIDIARIES**

**SGX APPENDIX 7.2 ANNOUNCEMENT
FOR THE 6 MONTHS ENDED
30 JUNE 2022**

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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS ENDED 30 JUNE 2022**

	Notes	Group 6 months ended 30 June		
		2022 S\$'000	2021 S\$'000	%
Sales	3	874	1,308	(33.2)
Cost of sales		(1,282)	(1,556)	(17.6)
Gross profit/(loss)		(408)	(248)	64.5
Other income	5	204	412	(50.5)
Other gains/(losses), net	5	25	(2,566)	N.M
Expenses	5			
Distribution and marketing		(135)	(149)	(9.4)
Administrative		(1,943)	(1,809)	7.4
Finance		(158)	(310)	(49.0)
		(2,236)	(2,268)	(1.4)
Profit/(loss) before income tax		(2,415)	(4,670)	(48.3)
Income tax credit/(expense)	6	(41)	(48)	(14.6)
Total profit/(loss)		(2,456)	(4,718)	(47.9)
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss:				
Currency translation gain/(loss) arising from consolidation		(1,248)	1,357	N.M
Items that will not be reclassified subsequently to profit or loss:				
Financial assets, at FVOCI – equity investments				
- Fair value gain/(loss)		(224)	364	N.M
Other comprehensive income/(loss), net of tax		(1,472)	1,721	N.M
Total comprehensive income/(loss)		(3,928)	(2,997)	31.1
Earnings/(losses) per share for profit/(loss) attributable to equity holders of the Company				
(cents per share)				
- Basic		(2.88)	(5.53)	
- Diluted		(2.88)	(5.53)	

NM: Not meaningful (change more than 100%)

NA: Not applicable

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Notes	Group		Company	
		30 Jun 2022 S\$'000	31 Dec 2021 (Audited) S\$'000	30 Jun 2022 S\$'000	31 Dec 2021 (Audited) S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		2,164	3,758	1,279	2,538
Trade and other receivables		421	398	261	152
Properties developed for sale	13	10,570	10,932	–	–
Other assets		40	45	–	–
		13,195	15,133	1,540	2,690
Non-current assets					
Financial assets, at FVPL	9	1,366	1,366	1,366	1,366
Financial assets, at FVOCI	10	302	526	–	–
Other receivables		268	329	250	250
Investment in associated companies		–	–	–	–
Investment in subsidiaries	11	–	–	58,700	58,700
Property, plant and equipment		45,325	47,833	613	675
		47,261	50,054	60,929	60,991
Total assets		60,456	65,187	62,469	63,681
LIABILITIES					
Current liabilities					
Trade and other payables		2,316	2,100	427	149
Current income tax liabilities		26	338	26	116
Lease liabilities		2	248	2	40
Borrowings	14	986	915	–	–
		3,330	3,601	455	305
Non-current liabilities					
Lease liabilities		5	365	5	6
Borrowings	14	3,695	3,867	–	–
		3,700	4,232	5	6
Total liabilities		7,030	7,833	460	311
NET ASSETS		53,426	57,354	62,009	63,370
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	8	33,190	33,190	33,190	33,190
Currency translation reserve		(1,091)	157	–	–
Fair value reserve		(1,091)	(867)	–	–
Retained earnings		22,418	24,874	28,819	30,180
Total equity		53,426	57,354	62,009	63,370

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 30 JUNE 2022**

	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
2022					
As at 1 January	33,190	157	(867)	24,874	57,354
Total comprehensive income/(loss) for the period					
Profit/(loss) for the period	-	-	-	(2,456)	(2,456)
Other comprehensive income/(loss) for the period	-	(1,248)	(224)	-	(1,472)
	-	(1,248)	(224)	(2,456)	(3,928)
As at 30 June	33,190	(1,091)	(1,091)	22,418	53,426
2021					
As at 1 January	33,190	(2,365)	(1,486)	34,256	63,595
Total comprehensive income/(loss) for the period					
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
	-	1,357	594	(4,948)	(2,997)
As at 30 June	33,190	(1,008)	(892)	29,308	60,598

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 30 JUNE 2022**

	Share capital	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000
2022			
As at 1 January	33,190	30,180	63,370
Total comprehensive income/(loss) for the period			
Profit/(loss) for the period	-	(1,361)	(1,361)
	-	(1,361)	(1,361)
As at 30 June	33,190	28,819	62,009
2021			
As at 1 January	33,190	36,849	70,039
Total comprehensive income/(loss) for the period			
Profit/(loss) for the period	-	(1,117)	(1,117)
	-	(1,117)	(1,117)
As at 30 June	33,190	35,732	68,922

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS ENDED 30 JUNE 2022**

	Group	
	6 months ended 30 June	
	2022	2021
	S\$'000	S\$'000
Cash flows from operating activities		
Profit/(loss) before tax	(2,415)	(4,670)
Adjustments for		
- Depreciation	892	925
- Unrealised translation losses/(gains)	(13)	(84)
- Gains on disposal of property, plant and equipment	-	(76)
- Fair value loss/(gain) on financial assets, at FVPL	-	1,650
- Write-down on properties held for sale	-	794
- Write-down on properties developed for sale	-	261
- Written off of other receivable	-	1
- Written off of property, plant and equipment	19	-
- Reversal of interest from early termination of leases	(16)	-
- Interest income	(3)	(7)
- Interest expenses	158	310
	<u>(1,378)</u>	<u>(896)</u>
Change in working capital		
- Other assets	5	4
- Properties	117	220
- Trade and other receivables	38	189
- Trade and other payables	217	(211)
Cash generated from/(used in) operations	<u>(1,001)</u>	<u>(694)</u>
Interest received	3	7
Income tax paid, net	<u>(351)</u>	<u>(60)</u>
Net cash provided by/(used in) operating activities	<u>(1,349)</u>	<u>(747)</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	-	(344)
Proceed of disposal of property, plant and equipment	-	406
Proceed of disposal of financial assets, at FVOCI	-	305
Net cash provided by/(used in) investing activities	<u>-</u>	<u>367</u>
Cash flows from financing activities		
Interest paid	(158)	(310)
Proceeds from borrowings	464	618
Repayment of borrowings	(456)	(824)
Principal payment of lease liabilities	(109)	(173)
Net cash provided by/(used in) financing activities	<u>(259)</u>	<u>(689)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(1,608)</u>	<u>(1,069)</u>
Cash and cash equivalents at beginning of financial period	3,758	8,099
Effects of currency translation on cash and cash equivalents	14	136
Cash and cash equivalents at end of financial period	<u>2,164</u>	<u>7,166</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 JUNE 2022

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 ended 30 June 2022 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 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s except for those effective beginning on or after 1 January 2022 as follows:

- Amendments to SFRS(I) 1-16 *Property, Plant and Equipment: Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

The Group does not expect any significant impact arising from applying these amendments.

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 Finance and Administration 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

	Properties	Hotel	Investment	Others	Total
	China	management	Japan	Singapore	
Group	S\$'000	China	S\$'000	S\$'000	S\$'000
6 months ended 30 June 2022					
Revenue and other income					
- external sales	119	714	-	41	874
- other income	170	10	-	21	201
- Interest income	-	-	-	3	3
- inter-segment income	172	-	-	-	172
	461	724	-	65	1,250
Cost of revenue and operating expenses	(345)	(626)	-	(1,497)	(2,468)
Inter-segment expense	-	(172)	-	-	(172)
Interest expense	-	(148)	-	(10)	(158)
Depreciation	(782)	(18)	-	(92)	(892)
Other gains/(losses), net	-	-	-	25	25
Profit/(loss) before income tax	(666)	(240)	-	(1,509)	(2,415)
As at 30 June 2022					
Total assets	55,370	702	1,366	3,018	60,456
Total liabilities	453	5,300	-	1,251	7,004
6 months ended 30 June 2021					
Revenue and other income					
- external sales	294	1,014	-	-	1,308
- other income	272	19	-	114	405
- Interest income	-	-	-	7	7
- inter-segment income	114	-	-	-	114
	680	1,033	-	121	1,834
Cost of revenue and operating expenses	(459)	(888)	-	(1,242)	(2,589)
Inter-segment expense	-	(114)	-	-	(114)
Interest expense	-	(305)	-	(5)	(310)
Depreciation	(700)	(13)	-	(212)	(925)
Other gains/(losses), net	(256)	(789)	(1,650)	129	(2,566)
Profit/(loss) before income tax	(735)	(1,076)	(1,650)	(1,209)	(4,670)
As at 30 June 2021					
Total assets	57,998	4,473	2,702	6,441	71,614
Total assets include:					
Additions to:					
- property, plant and equipment	-	8	-	436	444
Total liabilities	9,064	818	-	1,134	11,016

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	
	6 months ended 30 June 2022	2021
	S\$'000	S\$'000
Properties	119	294
Hotel management	714	1,014
Others	41	-
	874	1,308

3.1 REPORTABLE SEGMENTS (continued)

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.

	<u>Group</u>	
	6 months ended 30 June 2022	2021
	S\$'000	S\$'000
China	833	1,308
Singapore	41	–
	874	1,308

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	<u>Group</u>		<u>Company</u>	
	30.6.22	31.12.21 (Audited)	30.6.22	31.12.21 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets, at FVPL	1,366	1,366	1,366	1,366
Financial assets, at FVOCI	302	526	–	–
Financial assets, at amortised cost	2,703	4,357	1,790	2,940
Financial liabilities, at amortised cost	7,004	7,495	434	195

5. PROFIT/(LOSS) BEFORE INCOME TAX

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

5.1 SIGNIFICANT ITEMS

	<u>Group</u>	
	6 months ended 30 June 2022	2021
	S\$'000	S\$'000
Other income		
Interest income	(3)	(7)
Rental income (on operating leases)	(186)	(283)
Government grant income – Jobs Support Scheme	–	(98)
Others	(15)	(24)
Expense		
Depreciation	892	925
Interest expenses	158	310
Other gains/(losses)		
Foreign exchange losses/(gains), net	(28)	(64)
Fair value loss/(gain) on financial assets, at FVPL	–	1,650
Write-down on properties held for sale	–	794
Write-down on properties developed for sale	–	261
Written off of other receivable	–	1
Written off of property, plant and equipment	19	–
Reversal of interest from early termination of leases	(16)	–
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>	
	6 months ended 30 June	
	2022	2021
	S\$'000	S\$'000
Current income tax expense	15	48
Under provision of prior years	26	–
	<u>41</u>	<u>48</u>

7. NET ASSET VALUE

	<u>Group</u>		<u>Company</u>	
	30.6.22	31.12.21 (Audited)	30.6.22	31.12.21 (Audited)
Net asset per ordinary share	<u>S\$0.63</u>	S\$0.67	<u>S\$0.73</u>	S\$0.74

8. SHARE CAPITAL

	<u>No. of ordinary shares Issued share capital '000</u>	<u>Amount Share capital S\$'000</u>
<u>Group and Company</u>		
30 June 2022		
Beginning and end of financial period	<u>85,292</u>	<u>33,190</u>
31 December 2021		
Beginning and end of financial year	<u>85,292</u>	<u>33,190</u>

The Company do not hold any treasury shares as at 30 June 2022 and 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

9. FINANCIAL ASSETS, AT FVPL

	<u>Group and Company</u>	
	30.6.22	31.12.21 (Audited)
	S\$'000	S\$'000
Financial assets, at FVPL		
Unquoted investments		
– equity investments – Asia Pacific	<u>1,366</u>	<u>1,366</u>

10. FINANCIAL ASSETS, AT FVOCI

	<u>Group</u>	
	30.6.22	31.12.21 (Audited)
	S\$'000	S\$'000
Financial assets, at FVOCI		
Quoted investments		
– equity investments – United States	<u>302</u>	<u>526</u>

11. Investment in subsidiaries

	30.6.22	31.12.21 (Audited)
	S\$'000	S\$'000
<u>Company</u>		
<u>Equity investments at cost</u>		
Cost	38,337	38,337
Loans to subsidiaries	57,859	57,859
	<u>96,196</u>	<u>96,196</u>
Less: Accumulated impairment	(37,496)	(37,496)
	<u>58,700</u>	<u>58,700</u>

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 at the end of the financial year. 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).

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
<u>Group</u>				
30 June 2022				
Assets				
Financial assets, at FVPL				
– Equity investments	–	–	1,366	1,366
Financial assets, at FVOCI				
– Equity investments	302	–	–	302
Total assets	<u>302</u>	<u>–</u>	<u>1,366</u>	<u>1,668</u>
31 December 2021				
Assets				
Financial assets, at FVPL				
– Equity investments	–	–	1,366	1,366
Financial assets, at FVOCI				
– Equity investments	526	–	–	526
Total assets	<u>526</u>	<u>–</u>	<u>1,366</u>	<u>1,892</u>
<u>Company</u>				
30 June 2022				
Assets				
Financial assets, at FVPL				
– Equity investments	–	–	1,366	1,366
Total assets	<u>–</u>	<u>–</u>	<u>1,366</u>	<u>1,366</u>
31 December 2021				
Assets				
Financial assets, at FVPL				
– Equity investments	–	–	1,366	1,366
Total assets	<u>–</u>	<u>–</u>	<u>1,366</u>	<u>1,366</u>

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 will engage an independent valuer to determine the fair value at the end of the year. The overall valuation approach usually 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 financial year. 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 are as follows:

	<u>Relationship of unobservable inputs to fair value</u>
Discount rate	The higher the discount rate, the lower the fair value
Terminal growth rate	The higher the terminal growth rate, the higher the fair value
Discount on lack of control, marketability and projected growth	The higher the discount, the lower the fair value
Revenue growth rate	The higher the revenue growth rate, the higher the fair value
Market multiple	The higher the market multiple, the higher the fair value

13. PROPERTY-RELATED ASSETS

	<u>30.6.22</u>	<u>Group</u> 31.12.21 (Audited) S\$'000
	S\$'000	S\$'000
Properties developed for sale	10,570	10,932
Property, plant and equipment	44,659	46,505

The Group will engage 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 as at the year end.

The realisable values of the properties developed for sales was determined usually using the direct comparison method. The recoverable amounts of the property, plant and equipment was determined usually 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.

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

<u>Description</u>	<u>Inputs</u>	<u>Relationship of inputs to value</u>
Property, plant and equipment	Capitalisation rate	The higher the capitalisation rate, the lower the value
	Rental growth rate	The higher the rental growth rate, the higher the value

14. BORROWINGS

	<u>30.6.22</u>	<u>Group</u> 31.12.21 (Audited) S\$'000
	S\$'000	S\$'000
<i>Current</i>		
– Bank borrowings (secured)	986	915
<i>Non-current</i>		
– Bank borrowings (secured)	3,695	3,867
	4,681	4,782

Bank borrowings were secured by pledge of certain property-related assets classified within property, 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.

	<u>Group</u>	
	30.6.22	31.12.21
	S\$'000	(Audited) S\$'000
Guarantee given to banks for mortgage facilities	34	44

16. SEASONAL OPERATIONS

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

OTHER INFORMATION

1. Review

The condensed interim consolidated statement of financial position of Company and its subsidiaries as at 30 June 2022 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\$0.874 million for the 6 months ended 30 June 2022 compared to S\$1.308 million for the previous corresponding financial period. The decrease was due to the emergence of COVID-19 cases which caused the Zhuhai government to impose restriction measures thereby causing the business of Grand nest HOTEL zhuhai, China ("HOTEL") to be significantly impacted.

The Group recorded a gross loss of S\$0.408 million compared to S\$0.248 million of the previous corresponding financial period. The increase in gross loss was in tandem with the decrease in revenue generated.

As a result, the Group recorded a loss before income tax of S\$2.415 million and a total loss after tax of S\$2.456 million for the 6 months ended 30 June 2022.

Explanation Note:

Consolidated statement of comprehensive income

1. Gross profit/(loss)
The increase in gross loss for the financial period under review was in tandem with the decrease in the sales revenue of HOTEL. The decrease in sales revenue was negatively impacted by the spike of COVID-19 infections in China during the period under review.
2. Other income
The decrease in other income was mainly due to lower government grant income received in Singapore and rental income from Zhuhai, China.
3. Other gains/(losses), net
The losses for the financial period ended 30 June 2021 were mainly due to fair value loss on financial assets, at FVPL and the write-down on properties held for sale and properties developed for sale whereas there is no fair value loss and write-down on properties for the financial period ended 30 June 2022.
4. Administrative cost
All the executive directors have voluntarily taken a 20% reduction in their remuneration for the period under review. This is the 3rd consecutive year that the directors have done so.
5. Finance cost
The decrease was mainly due to lower bank borrowings in Zhuhai, China.
6. Income tax
The decrease in income tax expense was in line with the decrease in the sales of properties developed for sales compared to the same period in first half FY2021.
7. 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 other assets was mainly from the operations in Zhuhai, China.
- (iii) The decrease in financial assets, at FVOCI was due to the fair value losses.
- (iv) The decrease in non-current other receivables was mainly due to reclassification of the deposits to current trade and other receivables.
- (v) The increase in current trade and other payables was mainly from the operations in Zhuhai, China.

Group's statement of financial position (cont'd)

- (vi) The decrease in current income tax liabilities was due to payment made during the financial period under review.
- (vii) The decrease in lease liabilities was mainly due to payment made and early termination of leases during the financial period under review.

Consolidated statement of cash flows

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

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 16 item 4 of the Group's full year results announcement ended 31 December 2021 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

Japan has started to open its doors to foreigners for business and work under certain conditions. At the same time, Japan has begun to allow tourists into the country under strict group tour arrangements whereby tourists have to be chaperoned by tour guides for the entire duration of the trip and follow strict itinerary. Recently, cases of infections again surged. Unless and until the infection rate is well under controlled, NHJC's operating performance will continue to be negatively impacted.

The overall business of Grand nest HOTEL zhuhai including its MICE has suffered from various strict restriction measures imposed by Zhuhai government due to sporadic emergence of COVID-19 cases in Zhuhai, as well as other parts of China. Therefore the Group's business in China is highly dependent on the ongoing infection rates as well as any loosening of China's zero-COVID policy. Hospitality and MICE business remain challenging.

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/recommended, a statement to that effect.

No dividend has been declared/recommended 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.

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

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the 6 months ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ngiam Mia Je Patrick
Chairman & Chief Executive Officer

Ngiam Mia Kiat Benjamin
Managing Director

29 July 2022

BY ORDER OF THE BOARD

Lauw Hui Kian
Director

29 July 2022