

**IPC CORPORATION LTD  
AND ITS SUBSIDIARIES**

**SGX APPENDIX 7.2 ANNOUNCEMENT  
FOR THE 6 MONTHS AND FULL YEAR ENDED  
31 DECEMBER 2022**

<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	14

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 2022**

	Notes	Group 6 months ended 31 Dec			Group 12 months ended 31 Dec		
		2022	2021	%	2022	2021	%
		S\$'000	S\$'000		S\$'000	(Audited) S\$'000	
Sales	3	616	2,862	(78.5)	1,490	4,170	(64.3)
Cost of sales		(1,170)	(3,132)	(62.6)	(2,452)	(4,688)	(47.7)
Gross profit/(loss)		(554)	(270)	NM	(962)	(518)	85.7
Other income	5	415	318	30.5	619	730	(15.2)
Other gains/(losses), net	5	(2,672)	(1,489)	79.4	(2,647)	(4,055)	(34.7)
Expenses	5						
Distribution and marketing		(98)	(182)	(46.2)	(233)	(331)	(29.6)
Administrative		(1,991)	(1,935)	2.9	(3,935)	(3,744)	5.1
Finance		(181)	(237)	(23.6)	(339)	(547)	(38.0)
		(2,270)	(2,354)	(3.6)	(4,507)	(4,622)	(2.5)
Profit/(loss) before income tax		(5,081)	(3,795)	33.9	(7,497)	(8,465)	(11.4)
Income tax credit/(expense)	6	-	(335)	(100.0)	(40)	(383)	(89.6)
Total profit/(loss)		(5,081)	(4,130)	23.0	(7,537)	(8,848)	(14.8)
<b>Other comprehensive income/(loss)</b>							
Items that may be reclassified subsequently to profit or loss:							
Currency translation gain/(loss) arising from consolidation							
		(3,682)	1,165	NM	(4,930)	2,522	NM
Items that will not be reclassified subsequently to profit or loss:							
Financial assets, at FVOCI – equity investments							
- Fair value gain/(loss)		(153)	(279)	(45.2)	(377)	85	NM
<b>Other comprehensive income/(loss), net of tax</b>		<b>(3,835)</b>	<b>886</b>	<b>NM</b>	<b>(5,307)</b>	<b>2,607</b>	<b>NM</b>
<b>Total comprehensive income/(loss)</b>		<b>(8,916)</b>	<b>(3,244)</b>	<b>NM</b>	<b>(12,844)</b>	<b>(6,241)</b>	<b>NM</b>
<b>Earnings/(losses) per share for profit/(loss) attributable to equity holders of the Company</b>							
(cents per share)							
- Basic		(5.96)	(4.84)		(8.84)	(10.37)	
- Diluted		(5.96)	(4.84)		(8.84)	(10.37)	

NM: Not meaningful (change more than 100%)

NA: Not applicable

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022**

	Notes	Group		Company	
		31 Dec 2022 S\$'000	31 Dec 2021 (Audited) S\$'000	31 Dec 2022 S\$'000	31 Dec 2021 (Audited) S\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,629	3,758	424	2,538
Trade and other receivables		338	398	520	152
Properties developed for sale	13	9,390	10,932	–	–
Other assets		39	45	–	–
		<b>11,396</b>	<b>15,133</b>	<b>944</b>	<b>2,690</b>
<b>Non-current assets</b>					
Financial assets, at FVPL	9	665	1,366	665	1,366
Financial assets, at FVOCI	10	149	526	–	–
Other receivables		260	329	250	250
Investment in associated companies		–	–	–	–
Investment in subsidiaries	11	–	–	48,768	58,700
Property, plant and equipment		39,736	47,833	550	675
		<b>40,810</b>	<b>50,054</b>	<b>50,233</b>	<b>60,991</b>
<b>Total assets</b>		<b>52,206</b>	<b>65,187</b>	<b>51,177</b>	<b>63,681</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables		2,709	2,100	864	149
Current income tax liabilities		–	338	–	116
Lease liabilities		2	248	2	40
Borrowings	14	1,158	915	–	–
		<b>3,869</b>	<b>3,601</b>	<b>866</b>	<b>305</b>
<b>Non-current liabilities</b>					
Lease liabilities		4	365	4	6
Borrowings	14	3,823	3,867	–	–
		<b>3,827</b>	<b>4,232</b>	<b>4</b>	<b>6</b>
<b>Total liabilities</b>		<b>7,696</b>	<b>7,833</b>	<b>870</b>	<b>311</b>
<b>NET ASSETS</b>		<b>44,510</b>	<b>57,354</b>	<b>50,307</b>	<b>63,370</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		(4,773)	157	–	–
Fair value reserve		(1,244)	(867)	–	–
Retained earnings		17,337	24,874	17,117	30,180
<b>Total equity</b>		<b>44,510</b>	<b>57,354</b>	<b>50,307</b>	<b>63,370</b>

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 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
<b>2022</b>					
<b>As at 1 January</b>	<b>33,190</b>	<b>157</b>	<b>(867)</b>	<b>24,874</b>	<b>57,354</b>
<b>Total comprehensive income/(loss) for the period</b>					
Profit/(loss) for the period	–	–	–	(2,456)	(2,456)
Other comprehensive income/(loss) for the period	–	(1,248)	(224)	–	(1,472)
	<b>–</b>	<b>(1,248)</b>	<b>(224)</b>	<b>(2,456)</b>	<b>(3,928)</b>
<b>As at 30 June</b>	<b>33,190</b>	<b>(1,091)</b>	<b>(1,091)</b>	<b>22,418</b>	<b>53,426</b>
<b>Total comprehensive income/(loss) for the period</b>					
Profit/(loss) for the period	–	–	–	(5,081)	(5,081)
Other comprehensive income/(loss) for the period	–	(3,682)	(153)	–	(3,835)
	<b>–</b>	<b>(3,682)</b>	<b>(153)</b>	<b>(5,081)</b>	<b>(8,916)</b>
<b>As at 31 December</b>	<b>33,190</b>	<b>(4,773)</b>	<b>(1,244)</b>	<b>17,337</b>	<b>44,510</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>

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 2022**

	Share capital	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000
<b>2022</b>			
As at 1 January	33,190	30,180	63,370
<b>Total comprehensive income/(loss) for the period</b>			
Profit/(loss) for the period	-	(1,361)	(1,361)
	<u>-</u>	<u>(1,361)</u>	<u>(1,361)</u>
<b>As at 30 June</b>	<u>33,190</u>	<u>28,819</u>	<u>62,009</u>
<b>Total comprehensive income/(loss) for the period</b>			
Profit/(loss) for the period	-	(11,702)	(11,702)
	<u>-</u>	<u>(11,702)</u>	<u>(11,702)</u>
<b>As at 31 December</b>	<u>33,190</u>	<u>17,117</u>	<u>50,307</u>
<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)
	<u>-</u>	<u>(1,117)</u>	<u>(1,117)</u>
<b>As at 30 June</b>	<u>33,190</u>	<u>35,732</u>	<u>68,922</u>
<b>Total comprehensive income/(loss) for the period</b>			
Profit/(loss) for the period	-	(5,552)	(5,552)
	<u>-</u>	<u>(5,552)</u>	<u>(5,552)</u>
<b>As at 31 December</b>	<u>33,190</u>	<u>30,180</u>	<u>63,370</u>

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 2022**

	Group		Group	
	6 months ended	31 Dec	12 months ended	31 Dec
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	(Audited) S\$'000
<b>Cash flows from operating activities</b>				
Profit/(loss) before tax	(5,081)	(3,795)	(7,497)	(8,465)
Adjustments for				
- Depreciation	742	980	1,634	1,905
- Unrealised translation losses/(gains)	112	(92)	99	(186)
- Gains on disposal of property, plant and equipment	-	-	-	(76)
- Fair value loss/(gain) on financial assets, at FVPL	701	1,336	701	2,986
- Write-down on properties held for sale	-	-	-	803
- Write-down on properties developed for sale	418	124	418	385
- Written off of other receivable	10	57	10	58
- Written off of property, plant and equipment	35	-	54	-
- Impairment of property, plant and equipment	1,492	-	1,492	-
- Gain on disposal of leasehold units	-	-	(13)	-
- Restoration costs	-	-	(3)	-
- Interest income	(22)	(3)	(25)	(10)
- Interest expenses	181	237	339	547
	<u>(1,412)</u>	<u>(1,156)</u>	<u>(2,791)</u>	<u>(2,053)</u>
Change in working capital				
- Other assets	1	(4)	6	-
- Properties	25	1,792	142	2,012
- Trade and other receivables	82	(183)	120	6
- Trade and other payables	393	163	610	(48)
	<u>(911)</u>	<u>612</u>	<u>(1,913)</u>	<u>(83)</u>
Cash generated from/(used in) operations				
Interest received	22	3	25	10
Income tax paid, net	(20)	-	(370)	(59)
<b>Net cash provided by/(used in) operating activities</b>	<u>(909)</u>	<u>615</u>	<u>(2,258)</u>	<u>(132)</u>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	(2)	(77)	(2)	(421)
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>(2)</u>	<u>511</u>	<u>(2)</u>	<u>878</u>
<b>Cash flows from financing activities</b>				
Interest paid	(181)	(237)	(339)	(547)
Proceeds from borrowings	1,271	320	1,735	938
Repayment of borrowings	(599)	(4,514)	(1,055)	(5,338)
Principal payment of lease liabilities	(2)	(201)	(111)	(374)
<b>Net cash provided by/(used in) financing activities</b>	<u>489</u>	<u>(4,632)</u>	<u>230</u>	<u>(5,321)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(422)</u>	<u>(3,506)</u>	<u>(2,030)</u>	<u>(4,575)</u>
Cash and cash equivalents at beginning of financial period	2,164	7,166	3,758	8,099
Effects of currency translation on cash and cash equivalents	(113)	98	(99)	234
<b>Cash and cash equivalents at end of financial period</b>	<u>1,629</u>	<u>3,758</u>	<u>1,629</u>	<u>3,758</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 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 1 Fusionopolis Place, #03-20 Galaxis (West Lobby), Singapore 138522.

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 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 30 June 2022.

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

The Group incurred loss after tax of \$7,537,000 (31 December 2021: \$8,848,000) and the Group’s cash flow from operating activities is a net outflow of \$2,258,000 (2021: \$132,000) during the financial year ended 31 December 2022. The Group had property-related assets, with carrying values of properties developed for sale of \$9,390,000 (31 December 2021: \$10,932,000) and property, plant and equipment of \$39,168,000 (31 December 2021: \$46,505,000) as at 31 December 2022, of which, certain property-related assets classified within property, plant and equipment have been pledged with the financial institutions to secure the Group’s bank loans. The Group had prepared the financial statements on a going concern basis in view of the expected cash flows from the Group’s operations in an improving market condition in the People’s Republic of China due to easing of the COVID-19 restrictions from the Chinese Government from 8 January 2023 and obtaining additional financing facilities, if required. In the event the post pandemic recovery of the Group and the Company are not in line with expectations, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position.

### 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 which are included in the “Others” column

#### 3.1 REPORTABLE SEGMENTS

	Properties	Hotel	Investment	Others	Total
	China	China	Japan	Singapore	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>					
<b>12 months ended 31 December 2022</b>					
Revenue and other income					
- external sales	135	1,314	–	41	1,490
- other income	335	185	–	74	594
- Interest income	1	2	–	22	25
- inter-segment income	398	–	–	–	398
	869	1,501	–	137	2,507
Cost of revenue and operating expenses	(755)	(1,368)	–	(2,863)	(4,986)
Inter-segment expense	–	(398)	–	–	(398)
Interest expense	–	(330)	–	(9)	(339)
Depreciation	(1,414)	(28)	–	(192)	(1,634)
Other gains/(losses), net	(1,915)	–	(701)	(31)	(2,647)
Profit/(loss) before income tax	(3,215)	(623)	(701)	(2,958)	(7,497)
Income tax expense	(16)	–	–	(24)	(40)
Profit/(loss) after income tax	(3,231)	(623)	(701)	(2,982)	(7,537)
<b>As at 31 December 2022</b>					
Total assets	49,053	651	665	1,837	52,206
Total assets include:					
Additions to:					
– property, plant and equipment	1	1	–	–	2
Total liabilities	5,214	794	–	1,688	7,696
<b>12 months ended 31 December 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
	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)
<b>As at 31 December 2021</b>					
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



### 3.1 REPORTABLE SEGMENTS (continued)

	Properties	Hotel	Investment	Other	Total
	China	management	Japan	Singapore	
Group	S\$'000	China	S\$'000	S\$'000	S\$'000
<b>6 months ended 31 Dec 2022</b>					
Revenue and other income					
– external sales	16	600	–	–	616
– other income	165	175	–	53	393
– interest income	1	2	–	19	22
– inter-segment income	226	–	–	–	226
	408	777	–	72	1,257
Cost of revenue and operating expenses	(410)	(742)	–	(1,365)	(2,517)
Inter-segment expense	–	(226)	–	–	(226)
Interest expense	–	(181)	–	–	(181)
Depreciation	(632)	(10)	–	(100)	(742)
Other gains/(losses), net	(1,915)	–	(701)	(56)	(2,672)
Profit/(loss) before income tax	(2,549)	(382)	(701)	(1,449)	(5,081)
Income tax expense	–	–	–	–	–
Profit/(loss) after income tax	(2,549)	(382)	(701)	(1,449)	(5,081)
<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
	1,896	1,416	–	30	3,342
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	(1,913)	859	(1,336)	(1,405)	(3,795)
Income tax expense	(219)	–	–	(116)	(335)
Profit/(loss) after income tax	(2,132)	859	(1,336)	(1,521)	(4,130)

#### Revenue from major products and services

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

	Group		Group	
	6 month ended 31 Dec 2022	31 Dec 2021	12 months ended 31 Dec 2022	2021 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
Properties	16	1,463	135	1,757
Hotel management	600	1,388	1,314	2,402
Others	–	11	41	11
	616	2,862	1,490	4,170
Timing of transfer of good or service				
Point in time	174	1,644	371	2,086
Over the time	442	1,218	1,119	2,084
	616	2,862	1,490	4,170

#### 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.
- 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 <b>2022</b>	31 Dec 2021	12 months ended 31 Dec <b>2022</b>	31 Dec 2021 (Audited)
	<b>S\$'000</b>	S\$'000	<b>S\$'000</b>	S\$'000
China	<b>616</b>	2,851	<b>1,449</b>	4,159
Singapore	<b>–</b>	11	<b>41</b>	11
	<b>616</b>	2,862	<b>1,490</b>	4,170

### 4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	<u>Group</u>		<u>Company</u>	
	31.12.22	31.12.21 (Audited)	31.12.22	31.12.21 (Audited)
	<b>S\$'000</b>	S\$'000	<b>S\$'000</b>	S\$'000
Financial assets, at FVPL	<b>665</b>	1,366	<b>665</b>	1,366
Financial assets, at FVOCI	<b>149</b>	526	<b>–</b>	–
Financial assets, at amortised cost	<b>2,133</b>	4,357	<b>1,166</b>	2,940
Financial liabilities, at amortised cost	<b>7,696</b>	7,495	<b>870</b>	195

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

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

#### 5.1 SIGNIFICANT ITEMS

	<u>Group</u>		<u>Group</u>	
	6 month ended 31 Dec <b>2022</b>	31 Dec 2021	12 months ended 31 Dec <b>2022</b>	31 Dec 2021 (Audited)
	<b>S\$'000</b>	S\$'000	<b>S\$'000</b>	S\$'000
<b>Other income</b>				
Interest income	<b>(22)</b>	(3)	<b>(25)</b>	(10)
Rental income (on operating leases)	<b>(176)</b>	(281)	<b>(362)</b>	(564)
Government grant income	<b>(186)</b>	–	<b>(186)</b>	(98)
Others	<b>(31)</b>	(34)	<b>(46)</b>	(58)
<b>Expense</b>				
Depreciation	<b>742</b>	980	<b>1,634</b>	1,905
Interest expenses	<b>181</b>	237	<b>339</b>	547
<b>Other (gains)/losses</b>				
Foreign exchange losses/(gains), net	<b>16</b>	(28)	<b>(12)</b>	(101)
Fair value loss/(gain) on financial assets, at FVPL	<b>701</b>	1,336	<b>701</b>	2,986
Write-down on properties held for sale	<b>–</b>	–	<b>–</b>	803
Write-down on properties developed for sale	<b>418</b>	124	<b>418</b>	385
Written off of other receivable	<b>10</b>	57	<b>10</b>	58
Written off of property, plant and equipment	<b>35</b>	–	<b>54</b>	–
Impairment of property, plant and equipment	<b>1,492</b>	–	<b>1,492</b>	–
Gain on disposal of leasehold units	<b>–</b>	–	<b>(13)</b>	–
Restoration cost	<b>–</b>	–	<b>(3)</b>	–
Gain on disposal of property, plant and equipment	<b>–</b>	–	<b>–</b>	(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>2022</b>	2021	12 months ended 31 Dec <b>2022</b>	2021 (Audited)
	<b>S\$'000</b>	S\$'000	<b>S\$'000</b>	S\$'000
Local taxes				
- Under/(over) provision in prior financial years	-	116	26	116
Foreign taxes				
- Land appreciation tax expenses	-	19	14	19
- Under/(over) provision in prior financial years	-	200	-	248
	<b>-</b>	<b>335</b>	<b>40</b>	<b>383</b>

## 7. NET ASSET VALUE

	<u>Group</u>		<u>Company</u>	
	31.12.22	31.12.21 (Audited)	31.12.22	31.12.21 (Audited)
Net asset per ordinary share	<b>S\$0.52</b>	S\$0.67	<b>S\$0.59</b>	S\$0.74

## 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 2022</b>		
Beginning and end of financial period	<b>85,292</b>	<b>33,190</b>
<b>31 December 2021</b>		
Beginning and end of financial year	85,292	33,190

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

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

## 9. FINANCIAL ASSETS, AT FVPL

	<u>Group and Company</u>	
	31.12.22 <b>S\$'000</b>	31.12.21 (Audited) S\$'000
Financial assets, at FVPL		
Unquoted investments		
- equity investments - Asia Pacific	<b>665</b>	1,366

## 10. FINANCIAL ASSETS, AT FVOCI

	<u>Group</u>	
	31.12.22 <b>S\$'000</b>	31.12.21 (Audited) S\$'000
Financial assets, at FVOCI		
Quoted investments		
- equity investments - United States	<b>149</b>	526

## 11. Investment in subsidiaries

	<u>Company</u>	
	31.12.22	31.12.21 (Audited)
	S\$'000	S\$'000
<u>Equity investments at cost</u>		
Cost	38,337	38,337
Loans to subsidiaries	57,555	57,859
	<b>95,892</b>	96,196
Less: Accumulated impairment	<b>(47,124)</b>	(37,496)
	<b>48,768</b>	58,700

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:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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
- 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 2022</b>				
<b>Assets</b>				
Financial assets, at FVPL				
– Equity investments	–	–	665	665
Financial assets, at FVOCI				
– Equity investments	149	–	–	149
<b>Total assets</b>	<b>149</b>	<b>–</b>	<b>665</b>	<b>814</b>
<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>
<u>Company</u>				
<b>31 December 2022</b>				
<b>Assets</b>				
Financial assets, at FVPL				
– Equity investments	–	–	665	665
<b>Total assets</b>	<b>–</b>	<b>–</b>	<b>665</b>	<b>665</b>
<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>

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 has engaged an independent valuer to determine the fair value. 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 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 are as follows:

	<u>31 Dec 2022</u>	<u>31 Dec 2021</u> (Audited)	<u>Relationship of unobservable inputs to fair value</u>
Discount rate	9.4%	9.2%	The higher the discount rate, the lower the fair value
Terminal growth rate	0.5%	0.5%	The higher the terminal growth rate, the higher the fair value
Discount on lack of control, marketability and projected growth	45%	40%	The higher the discount, the lower the fair value
Revenue growth rate	2.9% - 27.9%	10.3% - 122.5%*	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 onwards.

\*\* Market multiples differ from normal profitability of subject company which makes it Not Applicable

## 13. PROPERTY-RELATED ASSETS

	<u>Group</u>	
	<b>31.12.22</b>	31.12.21
	<b>S\$'000</b>	(Audited) S\$'000
Properties developed for sale	<b>9,390</b>	10,932
Property, plant and equipment	<b>39,168</b>	46,505

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 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>Range of inputs</u>		<u>Relationship of inputs to value</u>
		<u>31.12.2022</u>	<u>31.12.2021</u> (Audited)	
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

#### 14. BORROWINGS

	31.12.22	<u>Group</u>	31.12.21 (Audited)
	S\$'000		S\$'000
<i>Current</i>			
– Bank borrowings (secured)	1,158		915
<i>Non-current</i>			
– Bank borrowings (secured)	3,823		3,867
	<b>4,981</b>		<b>4,782</b>

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.

	31.12.22	<u>Group</u>	31.12.21 (Audited)
	S\$'000		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 positions of the Company and its subsidiaries as at 31 December 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\$0.616 million for the 6 months ended 31 December 2022 compared to S\$2.862 million for the previous corresponding financial period. The decrease was mainly due to the absence of the sales revenue of properties held for sales in China and a significant drop in revenue from the business of Grand nest HOTEL zhuhai, China ("HOTEL") as a result of restrictions on travel & MICE activities due to sporadic lockdowns under the zero-COVID policy.

The Group recorded a gross loss of S\$0.554 million for the 6 months ended 31 December 2022 compared to a gross loss of S\$0.270 million for 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 after tax of S\$5.081 million for the 6 months ended 31 December 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 properties held for sales in China and a significant drop in revenue from the HOTEL.
2. Other income  
The increase in other income was mainly due to compensation claimed for the damages of the HOTEL's facilities in Zhuhai, China.
3. Other gains/(losses), net  
The increase in other losses was mainly due to the increased in the impairment of property, plant and equipment and the write-down on properties developed for sale in China compared with the previous period under review.
4. Distribution and marketing expenses and Administrative expenses  
The decrease in distribution and marketing expense was mainly from the operations from Zhuhai, China.  
  
All the executive directors have voluntarily maintained 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 interest paid during the period under review compared with the previous period.
6. Depreciation  
The decrease was mainly due to termination of the right of use assets.
7. Interest income  
The increase was mainly due to interest income received from the other receivable and fixed deposits.
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.
- (ii) The decrease in trade and other receivables was mainly from the operations in Zhuhai, China.
- (iii) The decrease was mainly due to write down in properties developed for sale in Zhuhai, China.
- (iv) The decrease in other assets was mainly from the operations in Zhuhai, China.
- (v) The decrease in the financial assets, at FVPL was due to the fair value loss on preference shares investment in NHJC, Japan.
- (vi) The decrease in financial assets, at FVOCI was due to the fair value losses.
- (vii) The decrease in non-current other receivables was mainly due to return of deposit paid.
- (viii) The decrease in property, plant and equipment was mainly due to impairment loss.
- (ix) The increase in current trade and other payables was mainly from the operations in Singapore and Zhuhai, China.
- (x) The decrease in current income tax liabilities was due to payment made during the financial period under review.
- (xi) The decrease in lease liabilities was mainly due to payment made and early termination of leases during the financial period under review.
- (xii) The increase in borrowings was mainly for the operations in Zhuhai, China.

#### **Consolidated statement of cash flows**

- (i) The net cash used in operating activities was mainly related to the loss from operations.
- (ii) The proceeds from borrowings were for the operations of the Grand nest HOTEL zhuhai, China.

### **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 FY2022) 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 opened its borders to foreigners visa-free & without restrictions from 11 Oct 2022. The business of NHJC has since improved and the Group is cautiously optimistic of a moderate recovery in 2023.

The overall business of Grand nest HOTEL zhuhai including its MICE has suffered badly under the zero-COVID policy for the past years. However, on or about 7 Dec 2022, the zero-COVID policy was eased and removed completely in China, followed by the opening of borders on or about 8 Jan 2023. The removal of such restrictions could bring hope to the resumption of travelling and MICE activities in 2023, subject that infection rates would be under control in the coming months.

The Group will continue to monitor the development of the new phase of management of the pandemic in Japan and China and would respond appropriately when necessary.



**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	68	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	66	Please see notes below	Managing Director.  Responsible for the operations of the Group.  The position was held since 1992.	No change
Lauw Hui Kian	66	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	62	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	59	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  
28 February 2023