

**IPC CORPORATION LTD
AND ITS SUBSIDIARIES**

**SGX APPENDIX 7.2 ANNOUNCEMENT
FOR THE 6 MONTHS AND FULL YEAR ENDED
31 DECEMBER 2024**

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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024**

	Notes	Group 6 months ended 31 Dec			Group 12 months ended 31 Dec		
		2024	2023	%	2024	2023	%
		S\$'000	S\$'000		S\$'000	(Audited) S\$'000	
Sales	3	1,188	1,452	(18.2)	2,235	3,166	(29.4)
Cost of sales		(684)	(847)	(19.2)	(1,365)	(2,585)	(47.2)
Gross profit/(loss)		504	605	(16.7)	870	581	49.7
Other income	5	224	261	(14.2)	1,106	507	NM
Other gains/(losses), net	5	7,391	5,946	24.3	7,434	2,092	NM
Expenses	5						
Distribution and marketing		(89)	(101)	(11.9)	(185)	(194)	(4.6)
Administrative		(1,517)	(1,641)	(7.6)	(2,873)	(3,158)	(9.0)
Finance		(158)	(139)	13.7	(282)	(282)	-
		(1,764)	(1,881)	(6.2)	(3,340)	(3,634)	(8.1)
Profit/(loss) before income tax		6,355	4,931	28.9	6,070	(454)	NM
Income tax credit/(expense)	6	(5)	(130)	(96.2)	(5)	(177)	(97.2)
Total profit/(loss)		6,350	4,801	32.3	6,065	(631)	NM
Other comprehensive income/(loss)							
Items that may be reclassified subsequently to profit or loss:							
Currency translation gain/(loss) arising from consolidation		(24)	(326)	(92.6)	35	(1,568)	NM
Items that will not be reclassified subsequently to profit or loss:							
Financial assets, at FVOCI – equity investments							
- Fair value gain/(loss)		(7)	(63)	(88.9)	(31)	(43)	(27.9)
Other comprehensive income/(loss), net of tax		(31)	(389)	(92.0)	4	(1,611)	NM
Total comprehensive income/(loss)		6,319	4,412	43.2	6,069	(2,242)	NM
Earnings/(losses) per share for profit/(loss) attributable to equity holders of the Company							
(cents per share)							
- Basic		7.45	5.63		7.11	(0.74)	
- Diluted		7.45	5.63		7.11	(0.74)	

NM: Not meaningful (change more than 100%)

NA: Not applicable

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Notes	Group		Company	
		31 Dec 2024 S\$'000	31 Dec 2023 (Audited) S\$'000	31 Dec 2024 S\$'000	31 Dec 2023 (Audited) S\$'000
ASSETS					
Current assets					
Cash and cash equivalents		1,245	787	35	256
Trade and other receivables		366	457	61	423
Properties developed for sale	13	7,057	7,783	-	-
Assets held for sale	13	37,077	36,011	-	-
Other assets		35	31	-	-
		45,780	45,069	96	679
Non-current assets					
Financial assets, at FVPL	9	11,766	4,494	11,766	4,494
Financial assets, at FVOCI	10	75	106	-	-
Other receivables		-	4	-	-
Investment in associated companies		-	-	-	-
Investment in subsidiaries	11	-	-	44,715	44,120
Property, plant and equipment		1,459	442	140	357
		13,300	5,046	56,621	48,971
Total assets		59,080	50,115	56,717	49,650
LIABILITIES					
Current liabilities					
Trade and other payables		4,542	4,030	3,565	2,157
Lease liabilities		2	2	2	2
Current income tax liabilities	6	9	127	9	120
Borrowings	14	811	3,686	-	-
		5,364	7,845	3,576	2,279
Non-current liabilities					
Lease liabilities		-	2	-	2
Borrowings	14	5,169	-	-	-
		5,169	2	-	2
Total liabilities		10,533	7,847	3,576	2,281
NET ASSETS		48,547	42,268	53,141	47,369
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		(6,306)	(6,341)	-	-
Fair value reserve		(1,318)	(1,287)	-	-
Retained earnings		22,981	16,706	19,951	14,179
Total equity		48,547	42,268	53,141	47,369

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024**

	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
2024					
As at 1 January	33,190	(6,341)	(1,287)	16,706	42,268
Total comprehensive income/(loss) for the period					
Profit/(loss) for the period	–	–	–	(285)	(285)
Other comprehensive income/(loss) for the period	–	59	(24)	–	35
	–	59	(24)	(285)	(250)
Unclaimed dividends	–	–	–	210	210
As at 30 June	33,190	(6,282)	(1,311)	16,631	42,228
Total comprehensive income/(loss) for the period					
Profit/(loss) for the period	–	–	–	6,350	6,350
Other comprehensive income/(loss) for the period	–	(24)	(7)	–	(31)
	–	(24)	(7)	6,350	6,319
As at 31 December	33,190	(6,306)	(1,318)	22,981	48,547
	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
2023					
As at 1 January	33,190	(4,773)	(1,244)	17,337	44,510
Total comprehensive income/(loss) for the period					
Profit/(loss) for the period	–	–	–	(5,432)	(5,432)
Other comprehensive income/(loss) for the period	–	(1,242)	20	–	(1,222)
	–	(1,242)	20	(5,432)	(6,654)
As at 30 June	33,190	(6,015)	(1,224)	11,905	37,856
Total comprehensive income/(loss) for the period					
Profit/(loss) for the period	–	–	–	4,801	4,801
Other comprehensive income/(loss) for the period	–	(326)	(63)	–	(389)
	–	(326)	(63)	4,801	4,412
As at 31 December	33,190	(6,341)	(1,287)	16,706	42,268

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024**

	Share capital	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000
2024			
As at 1 January	33,190	14,179	47,369
Total comprehensive income/(loss) for the period			
Profit/(loss) for the period	–	(971)	(971)
	–	(971)	(971)
Unclaimed dividends	–	210	210
As at 30 June	33,190	13,418	46,608
Total comprehensive income/(loss) for the period			
Profit/(loss) for the period	–	6,533	6,533
	–	6,533	6,533
As at 31 December	33,190	19,951	53,141
	Share capital	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000
2023			
As at 1 January	33,190	17,117	50,307
Total comprehensive income/(loss) for the period			
Profit/(loss) for the period	–	(895)	(895)
	–	(895)	(895)
As at 30 June	33,190	16,222	49,412
Total comprehensive income/(loss) for the period			
Profit/(loss) for the period	–	(2,043)	(2,043)
	–	(2,043)	(2,043)
As at 31 December	33,190	14,179	47,369

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024**

	<u>Group</u>		<u>Group</u>	
	6 months ended 31 Dec 2024	2023	12 months ended 31 Dec 2024	2023 (Audited) S\$'000
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit/(loss) before tax	6,355	4,931	6,070	(454)
Adjustments for				
- Depreciation	45	73	85	668
- Unrealised translation losses/(gains)	10	28	(6)	53
- Fair value loss/(gain) on financial assets, at FVPL	(7,272)	(3,829)	(7,272)	(3,829)
- Additions/(reversal) of Impairment loss of assets held for sale	(1,025)	(2,703)	(1,025)	1,152
- Write-down on properties developed for sale	634	612	634	612
- Written off of other receivable	-	2	-	2
- Impairment of other receivable	263	-	263	-
- Loss/(Gain) on disposal of property, plant and equipment	(2)	(27)	(40)	(27)
- Reversal of payable due to striking off of creditor company	-	-	(663)	-
- Interest income	(14)	(15)	(15)	(21)
- Interest expenses	158	139	282	282
	(848)	(789)	(1,687)	(1,562)
Change in working capital				
- Other assets	(4)	6	(4)	8
- Properties	24	131	99	677
- Trade and other receivables	176	268	(157)	135
- Trade and other payables	681	(3,135)	1,175	1,321
Cash generated from/(used in) operations	29	(3,519)	(574)	579
Interest received	2	15	3	21
Income tax paid, net	(6)	(3)	(123)	(50)
Net cash provided by/(used in) operating activities	25	(3,507)	(694)	550
Cash flows from investing activities				
Purchases of property, plant and equipment	(1,224)	(25)	(1,302)	(32)
Proceeds from disposal of property, plant and equipment	163	96	240	96
Net cash provided by/(used in) investing activities	(1,061)	71	(1,062)	64
Cash flows from financing activities				
Interest paid	(158)	(139)	(282)	(282)
Unclaimed dividends	-	-	210	-
Proceeds from borrowings	(25)	-	5,197	-
Repayment of borrowings	(295)	(559)	(2,912)	(1,135)
Principal payment of lease liabilities	(1)	-	(2)	(2)
Net cash provided by/(used in) financing activities	(479)	(698)	2,211	(1,419)
Net increase/(decrease) in cash and cash equivalents	(1,515)	(4,134)	455	(805)
Cash and cash equivalents at beginning of financial period	2,760	4,931	787	1,629
Effects of currency translation on cash and cash equivalents	-	(10)	3	(37)
Cash and cash equivalents at end of financial period	1,245	787	1,245	787

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

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 2024 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 2024.

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 2024 as follows:

- Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current
- Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback
- Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements

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 which are included in the “Others” column.

3.1 REPORTABLE SEGMENTS

	Properties	Hotel	Investment	Others	Total
	China	management	Japan	Singapore	
	S\$'000	China	S\$'000	S\$'000	S\$'000
		S\$'000			
Group					
12 months ended 31 December 2024					
Revenue and other income					
- external sales	80	2,155	–	–	2,235
- other income	394	29	–	668	1,091
- Interest income	1	2	–	12	15
- inter-segment income	421	–	–	–	421
	896	2,186	–	680	3,762
Cost of revenue and operating expenses	(520)	(1,711)	–	(2,107)	(4,338)
Inter-segment expense	–	(421)	–	–	(421)
Interest expense	–	(282)	–	–	(282)
Depreciation	(3)	(46)	–	(36)	(85)
Other gains/(losses), net	389	(17)	7,272	(210)	7,434
Profit/(loss) before income tax	762	(291)	7,272	(1,673)	6,070
Income tax expense	(3)	–	–	(2)	(5)
Profit/(loss) after income tax	759	(291)	7,272	(1,675)	6,065
As at 31 December 2024					
Total assets	44,379	2,605	11,766	330	59,080
Total assets include:					
Additions to:					
- property, plant and equipment	2	1,300	–	–	1,302
Total liabilities	6,355	456	–	3,713	10,524
12 months ended 31 December 2023					
Revenue and other income					
- external sales	590	2,576	–	–	3,166
- other income	438	42	–	6	486
- Interest income	3	1	–	17	21
- inter-segment income	429	–	–	–	429
	1,460	2,619	–	23	4,102
Cost of revenue and operating expenses	(1,207)	(1,838)	–	(2,224)	(5,269)
Inter-segment expense	–	(429)	–	–	(429)
Interest expense	–	(281)	–	(1)	(282)
Depreciation	(518)	(26)	–	(124)	(668)
Other gains/(losses), net	(1,765)	(4)	3,829	32	2,092
Profit/(loss) before income tax	(2,030)	41	3,829	(2,294)	(454)
Income tax expense	(57)	–	–	(120)	(177)
Profit/(loss) after income tax	(2,087)	41	3,829	(2,414)	(631)
As at 31 December 2023					
Total assets	44,207	338	4,494	1,076	50,115
Total assets include:					
Additions to:					
- property, plant and equipment	2	30	–	–	32
Total liabilities	4,093	662	–	2,965	7,720

3.1 REPORTABLE SEGMENTS (continued)

Group	Properties	Hotel	Investment	Other	Total
	China S\$'000	management China S\$'000	Japan S\$'000	Singapore S\$'000	S\$'000
6 months ended 31 December 2024					
Revenue and other income					
– external sales	22	1,166	–	–	1,188
– other income	191	15	–	4	210
– interest income	1	2	–	11	14
– inter-segment income	210	–	–	–	210
	424	1,183	–	15	1,622
Cost of revenue and operating expenses	(282)	(863)	–	(1,100)	(2,245)
Inter-segment expense	–	(210)	–	–	(210)
Interest expense	–	(158)	–	–	(158)
Depreciation	10	(30)	–	(25)	(45)
Other gains/(losses), net	391	(16)	7,272	(256)	7,391
Profit/(loss) before income tax	543	(94)	7,272	(1,366)	6,355
Income tax expense	(3)	–	–	(2)	(5)
Profit/(loss) after income tax	540	(94)	7,272	(1,368)	6,350
6 months ended 31 December 2023					
Revenue and other income					
– external sales	114	1,338	–	–	1,452
– other income	221	23	–	2	246
– interest income	2	–	–	13	15
– inter-segment income	211	–	–	–	211
	548	1,361	–	15	1,924
Cost of revenue and operating expenses	(459)	(992)	–	(1,065)	(2,516)
Inter-segment expense	–	(211)	–	–	(211)
Interest expense	–	(138)	–	(1)	(139)
Depreciation	37	(17)	–	(93)	(73)
Other gains/(losses), net	2,090	(4)	3,829	31	5,946
Profit/(loss) before income tax	2,216	(1)	3,829	(1,113)	4,931
Income tax expense	(10)	–	–	(120)	(130)
Profit/(loss) after income tax	2,206	(1)	3,829	(1,233)	4,801

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 2024 S\$'000	2023 S\$'000	12 months ended 31 Dec 2024 S\$'000	2023 S\$'000
Properties	22	114	80	590
Hotel management	1,166	1,338	2,155	2,576
	1,188	1,452	2,235	3,166
Timing of transfer of good or service				
Point in time	368	424	683	1,223
Over the time	820	1,028	1,552	1,943
	1,188	1,452	2,235	3,166

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 2024 S\$'000	2023 S\$'000	12 months ended 31 Dec 2024 S\$'000	2023 S\$'000
China	1,188	1,452	2,235	3,166
	1,188	1,452	2,235	3,166

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 2024 and 31 December 2023:

	<u>Group</u>		<u>Company</u>	
	31.12.24 S\$'000	31.12.23 (Audited) S\$'000	31.12.24 S\$'000	31.12.23 (Audited) S\$'000
Financial assets, at FVPL	11,766	4,494	11,766	4,494
Financial assets, at FVOCI	75	106	-	-
Financial assets, at amortised cost	1,480	1,183	83	661
Financial liabilities, at amortised cost	10,524	7,720	3,567	2,161

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 2024 S\$'000	2023 S\$'000	12 months ended 31 Dec 2024 S\$'000	2023 S\$'000
Other income				
Interest income	(14)	(15)	(15)	(21)
Rental income (on operating leases)	(192)	(221)	(394)	(438)
Reversal of payable due to striking off of creditor company	-	-	(663)	-
Others	(18)	(25)	(34)	(48)
Expense				
Depreciation	45	73	85	668
Interest expenses	158	139	282	282
Other (gains)/losses				
Foreign exchange losses/(gains), net	11	(1)	6	(2)
Fair value loss/(gain) on financial assets, at FVPL	(7,272)	(3,829)	(7,272)	(3,829)
Additions/(reversal) of Impairment loss of assets held for sale	(1,025)	(2,703)	(1,025)	1,152
Write-down on properties developed for sale	634	612	634	612
Impairment of other receivable	263	-	263	-
Written off of other receivable	-	2	-	2
Gain from disposal of property, plant and equipment	(2)	(27)	(40)	(27)

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 2024	2023	12 months ended 31 Dec 2024	2023 (Audited)
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Local taxes</u>				
- Current income tax expense	7	16	7	16
- Under/(over) provision in prior financial years	(5)	104	(5)	104
<u>Foreign taxes</u>				
- Land appreciation tax expenses	3	10	3	57
	5	130	5	177

Tax Movement:

	<u>Group</u>		<u>Company</u>	
	31.12.24 S\$'000	31.12.23 (Audited) S\$'000	31.12.24 S\$'000	31.12.23 (Audited) S\$'000
Beginning of the year	127	–	120	–
Tax charged for the year	5	177	3	120
Tax paid for the year	(123)	(50)	(114)	–
End of the year	9	127	9	120

7. NET ASSET VALUE

	<u>Group</u>		<u>Company</u>	
	31.12.24	31.12.23 (Audited)	31.12.24	31.12.23 (Audited)
	S\$0.57	S\$0.50	S\$0.62	S\$0.56
Net asset per ordinary share				

8. SHARE CAPITAL

	No. of <u>ordinary shares</u> Issued share capital '000	<u>Amount</u> Share capital S\$'000
	<u>Group and Company</u>	
31 December 2024		
Beginning and end of financial period	85,292	33,190
31 December 2023		
Beginning and end of financial year	85,292	33,190

The Company do not hold any treasury shares as at 31 December 2024 and 31 December 2023.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2024 and 31 December 2023.

9. FINANCIAL ASSETS, AT FVPL

	<u>Group and Company</u>	
	31.12.24 S\$'000	31.12.23 (Audited) S\$'000
Financial assets, at FVPL		
Unquoted investments		
– equity investments – Asia Pacific	11,766	4,494

10. FINANCIAL ASSETS, AT FVOCI

	31.12.24	<u>Group</u>	31.12.23 (Audited)
	S\$'000		S\$'000
Financial assets, at FVOCI			
Quoted investments			
– equity investments – United States	75		106

11. Investment in subsidiaries

	31.12.24	<u>Company</u>	31.12.23 (Audited)
	S\$'000		S\$'000
<u>Equity investments at cost</u>			
Cost	38,337		38,337
Loans to subsidiaries	57,465		57,465
	95,802		95,802
Less: Accumulated impairment	(51,087)		(51,682)
	44,715		44,120

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).

	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Total</u> S\$'000
<u>Group</u>				
31 December 2024				
Assets				
Financial assets, at FVPL				
– Equity investments	–	–	11,766	11,766
Financial assets, at FVOCI				
– Equity investments	75	–	–	75
Total assets	75	–	11,766	11,841
31 December 2023				
Assets				
Financial assets, at FVPL				
– Equity investments	–	–	4,494	4,494
Financial assets, at FVOCI				
– Equity investments	106	–	–	106
Total assets	106	–	4,494	4,600
<u>Company</u>				
31 December 2024				
Assets				
Financial assets, at FVPL				
– Equity investments	–	–	11,766	11,766
Total assets	–	–	11,766	11,766
31 December 2023				
Assets				
Financial assets, at FVPL				
– Equity investments	–	–	4,494	4,494
Total assets	–	–	4,494	4,494

12. FAIR VALUE MEASUREMENT (continued)

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 have engaged an independent valuer to determine the fair value at the end of the year. The overall valuation approach used by the independent valuer was to first estimate the underlying equity value of the underlying entity using income and market approach, which will then be the input to the option-pricing model used to derive the value of the investment. The independent valuer also used assumptions that are based on market conditions existing at the end of reporting date. As the valuation techniques for this instrument is based on significant unobservable inputs, such instrument is classified as Level 3.

The material assumptions used in the computation of the valuation are as follows:

	<u>31 Dec 2024</u>	<u>31 Dec 2023</u> (Audited)	<u>Relationship of unobservable inputs to fair value</u>
Discount rate	9.6%	9.2%	The higher the discount rate, the lower the fair value
Terminal growth rate	2.0%	1.3%	The higher the terminal growth rate, the higher the fair value
Discount on lack of control, marketability and projected growth	35%	40%	The higher the discount, the lower the fair value
Revenue growth rate	-20.9% - 2.9%	-2.9% - 10.2%	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

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

13. PROPERTY-RELATED ASSETS

	<u>31.12.24</u>	<u>Group</u> 31.12.23 (Audited)
	S\$'000	S\$'000
Properties developed for sale	7,057	7,783
Assets held for sale	37,077	36,011

The Group have engaged an independent valuer to perform valuations to determine the realisable values of properties developed for sale, the recoverable amounts of the assets held for sale, 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 using the direct comparison method. The recoverable amounts of the assets held for sale 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.

The following table presents the key inputs that were used to determine the impairment of assets held for sale:

<u>Description</u>	<u>Inputs</u>	<u>Range of inputs</u>		<u>Relationship of inputs to value</u>
		<u>31.12.2024</u>	<u>31.12.2023</u> (Audited)	
Assets held for sale	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

	31.12.24	<u>Group</u>	31.12.23 (Audited)
	S\$'000		S\$'000
<i>Current</i>			
– Bank borrowings (secured)	811		3,686
<i>Non-current</i>			
– Bank borrowings (secured)	5,169		–
	5,980		3,686

Bank borrowings were secured by pledge of certain property-related assets classified within assets held for sale (Note 13) in Zhuhai, China.

15. CONTINGENCIES

There is no contingent liabilities as at 31 December 2024 and 31 December 2023.

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 2024 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\$1.188 million for the 6 months ended 31 December 2024 compared to S\$1.452 million for the previous corresponding financial period. The decrease was mainly due to the decrease in the sales revenue in Zhuhai, China.

The Group recorded a gross profit of S\$0.504 million compared to S\$0.605 million of the previous corresponding financial period. The decrease in the gross profit was in tandem with the decrease in the sales revenue in Zhuhai, China.

The other gains of S\$7.391 million was mainly from the fair value gain on the financial assets, at FVPL and the reversal of impairment loss on the assets held for sale. The fair value gain amounting to S\$7.272 million on the financial assets at FVPL is relating to the Group's preferential share investment in Nest Hotel Japan Corporation ("NHJC").

As a result, the Group recorded a profit before tax of S\$6.355 million and profit after tax of S\$6.350 million respectively for the 6 months ended 31 December 2024.

Explanation Note:

Consolidated statement of comprehensive income

1. Gross profit/(loss)
The decrease in gross profit was in tandem with the decrease in the sales revenue in Zhuhai, China.
2. Other income
The decrease in other income was mainly due to the decrease in rental income in Zhuhai, China.
3. Other gains/(losses), net
The increase in other gains was mainly due to the fair value gain on the financial assets, at FVPL and the reversal of impairment loss on the assets held for sale.
4. Administrative expenses and marketing expenses
The decrease in administrative and marketing expense was mainly from the operations in Singapore and China.

All the executive directors have voluntarily maintained a 20% reduction in their remuneration for the period under review. This will be the 5th consecutive year that the directors have done so.
5. Finance cost

The increase was mainly due to higher average interest rate paid for the bank borrowings in Zhuhai, China compared with the previous period under review.
6. Depreciation

The decrease was mainly due to the disposal of property, plant and equipment during the financial year.
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 increase in cash and cash equivalents was mainly due to the proceeds from bank borrowings.
- (ii) The decrease in current trade and other receivables was mainly due to impairment of an other receivable.
- (iii) The increase in other assets was mainly from the operation in Zhuhai, China.
- (iv) The increase in financial assets, at FVPL was due to fair value gain.
- (v) The decrease in financial assets, at FVOCI was due to fair value loss.
- (vi) The increase in property, plant and equipment was largely related to some of the improvement works on Grand nest HOTEL zhuhai, China.
- (vii) The increase in trade and other payables was mainly from the operation in Singapore and China.
- (viii) The decrease in current tax liabilities was mainly due to income tax paid.
- (ix) The increase in total borrowings was mainly due to the proceeds from bank borrowings.

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 (6 Months Ended 30 June 2024) 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**

China is grappling with economic challenges and the prolonged property crisis, characterised by high vacancies in commercial, serviced apartments and industrial properties. In an effort to adapt, many of these vacant properties have been repurposed as hotels, resulting in a surge in supply that has outpaced demand. This oversaturation has led to intense competition, causing an adverse involution effect. Consequently, this trend has negatively impacted the performance of Grand nest HOTEL, Zhuhai, PRC.

With the addition of 2 more hotels in 2024, NHJC has a total of 19 hotels under its management. According to ST 16 January 2025, "Tourists to Japan hit record 36.8 million in 2024". The weak JPY has contributed to the increase in foreign tourism into Japan. Barring any negative events, the business of NHJC is expected to remain robust in 2025.

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. The Company is preserving its cash resources to pursue strategic business opportunities.

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	70	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	68	Please see notes below	Managing Director. Responsible for the operations of the Group. The position was held since 1992.	No change
Lauw Hui Kian	68	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	64	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	61	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:

1. Ms Lauw Hui Kian is the spouse of Mr Ngiam Mia Je Patrick.
2. Messrs Ngiam Mia Je Patrick, Ngiam Mia Kiat Benjamin, Ngiam Mia Hai Bernard and Ngiam Mia Hong Alfred are brothers.
3. 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
17 February 2025