

IPC CORPORATION LTD
(Company Registration No. 198501057M)
1st Quarter Financial Statement

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
 HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement and statement of comprehensive income or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR 1st QUARTER ENDED 31 MARCH 2015**

	<u>Group</u>		
	31 Mar 2015 S\$'000	31 Mar 2014 S\$'000	Increase/ (decrease) %
Sales	6,932	7,463	(7.1)
Cost of sales	(3,337)	(4,172)	(20.0)
Gross profit/(loss)	3,595	3,291	9.2
Other income	295	318	(7.2)
Other gains/(losses), net	1,217	(1,032)	NM
Expenses			
Distribution and marketing	(200)	(535)	(62.6)
Administrative	(2,904)	(2,464)	17.9
Finance	(685)	(865)	(20.8)
Other	(1)	-	NA
	(3,790)	(3,864)	(1.9)
Profit/(loss) before income tax	1,317	(1,287)	NM
Income tax expense	(1,011)	(211)	NM
Total profit/(loss)	306	(1,498)	NM
Other comprehensive income/(loss), net of tax			
Items that may be reclassified subsequently to profit or loss:			
Financial assets, available-for-sale			
- Disposal	(21)	-	NA
- Fair value gain/(loss)	567	134	NM
Currency translation gain/(loss) arising from consolidation	3,318	(1,135)	NM
Other comprehensive income/(loss), net of tax	3,864	(1,001)	NM
Total comprehensive income/(loss)	4,170	(2,499)	NM
Profit/(loss) attributable to:			
- Equity holders of the Company	210	(1,611)	NM
- Non-controlling interests	96	113	(15.0)
	306	(1,498)	NM
Total comprehensive income/(loss) attributable to:			
- Equity holders of the Company	4,074	(2,612)	NM
- Non-controlling interests	96	113	(15.0)
	4,170	(2,499)	NM

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

	<u>Group</u>		Increase/ (decrease) %
	31 Mar 2015 S\$'000	31 Mar 2014 S\$'000	
Amortisation of leasehold properties	20	19	5.3
Depreciation (Note 8)	133	66	NM
Foreign exchange losses/(gains), net (Note 7)	(1,184)	1,032	NM
Gain on disposal of financial assets, available-for-sale (Note 9)	(33)	-	NA
Interest income	(234)	(237)	(1.3)
Interest expenses (Note 5)	685	865	(20.8)

Notes

1. Gross profit

The increase in gross profit for 1st quarter under review was mainly contributed by the gross profit of the operation of Grand nest HOTEL zhuhai, China which commenced operations at the end of April 2014.

2. Other gains/(losses), net

The gains was mainly contributed by strengthening of the United States Dollar against the Singapore Dollar (Note 7).

3. Distribution and marketing

The decrease was mainly related to lower marketing & advertising expenses incurred in Japan.

4. Administrative expenses

The increase was mainly due to expenses incurred on repair and maintenance for the hotels in Japan and expenses incurred for Grand nest HOTEL zhuhai, China which commenced operations at the end of April 2014.

5. Finance expenses

The decrease was mainly due to partial settlement of borrowings.

6. Income tax expenses

The increase was due to withholding tax expenses incurred in Japan.

7. The movement in the exchange rates of United States Dollar against the Singapore Dollar resulted in foreign exchange gains. The gains were mainly unrealised, due to recorded monetary balances denominated in foreign currencies that were adjusted to reflect the Singapore dollars equivalent at the statements of financial position date.

8. The increase in depreciation was mainly due to the addition of property, plant and equipment for the operation of Grand nest HOTEL Zhuhai, China.

9. The gains was due to the disposal of financial assets, available-for-sale.

NM:Not meaningful (change more than 100%)

NA:Not applicable

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

	<u>Group</u>		<u>Company</u>	
	31 Mar 2015	31 Dec 2014 Audited	31 Mar 2015	31 Dec 2014 Audited
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents (i)	81,322	101,311	52,477	53,697
Trade and other receivables (ii)	3,028	4,475	520	303
Tax recoverable (iii)	691	802	-	-
Properties developed for sale	71,575	71,092	-	-
Other assets	62	53	-	-
	<u>156,678</u>	<u>177,733</u>	<u>52,997</u>	<u>54,000</u>
Non-current assets				
Financial assets, available-for-sale	22,624	22,092	13,669	13,480
Other receivables	-	-	62,811	60,279
Prepayment	4	10	-	-
Other asset	153	153	-	-
Investment in associated companies	-	-	-	-
Investment in subsidiaries	-	-	97,087	98,827
Investment properties	118,081	118,081	-	-
Prepaid leasehold properties	4,476	4,243	-	-
Land held for development	6,422	6,422	6,422	6,422
Property, plant and equipment (iv)	7,910	7,186	628	93
Deferred income tax assets	3	1	-	-
	<u>159,673</u>	<u>158,188</u>	<u>180,617</u>	<u>179,101</u>
Total assets	<u>316,351</u>	<u>335,921</u>	<u>233,614</u>	<u>233,101</u>
LIABILITIES				
Current liabilities				
Borrowings (v)	46,483	64,197	22,538	40,923
Trade and other payables (vi)	5,831	8,507	239	1,366
Current income tax liabilities (vii)	368	611	-	-
	<u>52,682</u>	<u>73,315</u>	<u>22,777</u>	<u>42,289</u>
Non-current liabilities				
Borrowings	39,852	39,230	-	-
Deferred income tax liabilities (viii)	7,125	10,392	-	-
	<u>46,977</u>	<u>49,622</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>99,659</u>	<u>122,937</u>	<u>22,777</u>	<u>42,289</u>
NET ASSETS	<u>216,692</u>	<u>212,984</u>	<u>210,837</u>	<u>190,812</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	169,658	169,658	169,658	169,658
Currency translation reserve	(17,195)	(20,513)	-	-
Fair value reserve	2,366	1,820	1,782	1,249
Retained earnings	57,465	57,255	39,397	19,905
	<u>212,294</u>	<u>208,220</u>	<u>210,837</u>	<u>190,812</u>
Non-controlling interests	4,398	4,764	-	-
Total equity	<u>216,692</u>	<u>212,984</u>	<u>210,837</u>	<u>190,812</u>

Notes

- (i) The decrease in cash and cash equivalents was mainly attributable to the repayments of borrowings.
- (ii) The decrease was mainly due to receipts in Japan.
- (iii) The decrease was mainly due to the realisation of tax recoverable in Japan.
- (iv) The increase of property, plant and equipment was mainly due to the addition of motor vehicles.
- (v) The decrease was due to repayment of borrowings.
- (vi) The decrease was mainly due to the settlement of trade and other payables in Japan.
- (vii) The decrease was mainly due to the payment of tax liability in Japan.
- (viii) The decrease was due to the utilisation of deferred tax liability in Japan.

1 (b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

<u>Group</u>		<u>Group</u>	
As at 31 Mar 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
46,483	Nil	64,197	Nil

Amount repayable after one year

<u>Group</u>		<u>Group</u>	
As at 31 Mar 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
39,852	Nil	39,230	Nil

Details of any collateral

The Group's borrowings were secured by pledge of prepaid leasehold properties, leasehold building and properties developed for sale in Zhuhai, China, investment properties in Japan and certain bank deposits.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	<u>Group</u>	
	31 Mar 2015 S\$'000	31 Mar 2014 S\$'000
Cash flows from operating activities		
Total profit/(loss)	306	(1,498)
Adjustments for		
- Income tax expense	1,011	211
- Depreciation	133	66
- Amortisation of prepaid leasehold properties	20	19
- Unrealised translation losses/(gains)	(1,935)	1,191
- Gain on disposal of financial assets, available-for-sale	(33)	-
- Interest income	(234)	(237)
- Interest expenses	685	865
	<u>(47)</u>	<u>617</u>
Change in working capital		
- Other assets	(9)	-
- Properties	2,626	2,487
- Trade and other receivables	1,689	164
- Trade and other payables	<u>(2,385)</u>	<u>(2,182)</u>
Cash generated from/(used in) operations	1,874	1,086
Interest received	111	349
Income tax paid, net	<u>(4,537)</u>	<u>(264)</u>
Net cash provided by/(used in) operating activities (i)	<u>(2,552)</u>	<u>1,171</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(572)	(10)
Proceeds from disposal of financial assets, available-for-sale	376	-
Net cash provided by/(used in) investing activities	<u>(196)</u>	<u>(10)</u>
Cash flows from financing activities		
Bank deposit (pledged)	10,945	333
Interest paid	(976)	(565)
Proceeds from borrowings (ii)	1,380	-
Repayment of borrowings	(18,557)	(1,603)
Distribution to non-controlling interests	<u>(462)</u>	<u>(107)</u>
Net cash provided by/(used in) financing activities	<u>(7,670)</u>	<u>(1,942)</u>
Net increase/(decrease) in cash and cash equivalents	(10,418)	(781)
Cash and cash equivalents at beginning of financial period	65,564	36,495
Effects of currency translation on cash and cash equivalents	681	(193)
Cash and cash equivalents at end of financial period	<u>55,827</u>	<u>35,521</u>

Notes:

- (i) The deficit in cash from operation was mainly related to payment of withholding tax in Japan.
- (ii) The proceeds of borrowings was for the operation of the Grand nest HOTEL zhuhai, China.
- (iii) For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	<u>31 Mar 2015</u> S\$'000	<u>31 Mar 2014</u> S\$'000
Cash and bank balances	81,322	84,914
Less: bank deposit pledged	<u>(25,495)</u>	<u>(49,393)</u>
Cash and cash equivalents per consolidated statement of cash flows	<u>55,827</u>	<u>35,521</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY – GROUP	Attributable to Equity Holders of the Company						Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000			
2015								
As at 1 Jan	169,658	(20,513)	1,820	57,255	208,220	4,764	212,984	
Total comprehensive income/(loss) for the period								
Profit/(loss) for the period	–	–	–	210	210	96	306	
Other comprehensive income/(loss) for the period	–	3,318	546	–	3,864	–	3,864	
	–	3,318	546	210	4,074	96	4,170	
Total transactions with owners, recognized directly in equity								
Distribution to non-controlling interests	–	–	–	–	–	(462)	(462)	
	–	–	–	–	–	(462)	(462)	
As at 31 Mar	169,658	(17,195)	2,366	57,465	212,294	4,398	216,692	

STATEMENT OF CHANGES IN EQUITY – GROUP	Attributable to Equity Holders of the Company						Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000			
2014								
As at 1 Jan	169,658	(18,707)	1,395	31,606	183,952	2,997	186,949	
Total comprehensive income/(loss) for the period								
Profit/(loss) for the period	–	–	–	(1,611)	(1,611)	113	(1,498)	
Other comprehensive income/(loss) for the period	–	(1,135)	134	–	(1,001)	–	(1,001)	
	–	(1,135)	134	(1,611)	(2,612)	113	(2,499)	
Total transactions with owners, recognized directly in equity								
Distribution to non-controlling interests	–	–	–	–	–	(107)	(107)	
	–	–	–	–	–	(107)	(107)	
As at 31 Mar	169,658	(19,842)	1,529	29,995	181,340	3,003	184,343	

STATEMENT OF CHANGES IN EQUITY – COMPANY	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
2015				
As at 1 Jan	169,658	1,249	19,905	190,812
Total comprehensive income/(loss) for the period				
Profit/(loss) for the period	–	–	19,492	19,492
Other comprehensive income/(loss) for the period	–	533	–	533
	–	533	19,492	20,025
As at 31 Mar	169,658	1,782	39,397	210,837

STATEMENT OF CHANGES IN EQUITY – COMPANY

	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
2014				
As at 1 Jan	169,658	829	21,253	191,740
Total comprehensive income/(loss) for the period				
Profit/(loss) for the period	–	–	(2,791)	(2,791)
Other comprehensive income/(loss) for the period	–	121	–	121
	–	121	(2,791)	(2,670)
As at 31 Mar	169,658	950	18,462	189,070

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Not applicable.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares as at 31 March 2015 was 852,920,638 (31 Dec 2014: 852,920,638). The Group and Company have no treasury share for both periods.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Group and Company have no treasury share.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The financial information set out in paragraphs 1, 3, 4, 5, 6, 11 and 12 of this announcement have been extracted from the condensed interim financial information prepared in accordance with Singapore Financial Reporting Standard 34, *Interim Financial Reporting*, and which have been reviewed in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The Independent Auditor's Report on Review of the Condensed Interim Financial Information of the Group for the three months ended 31 March 2015 dated 4 May 2015 is attached as Appendix 1. There is no qualification or emphasis of matter in the report.

The independent financial adviser to the Directors of the Company who are considered independent for the purposes of the Offer (as defined herein) (the "Independent Directors"), Xandar Capital Pte. Ltd. ("Independent Financial Adviser"), has examined the Unaudited First Quarter Financial Statements of the Group for the period ended 31 March 2015 pursuant to Rule 25 of the Singapore Code on Take-overs and Mergers and its letter dated 4 May 2015 is attached as Appendix 2.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computations applied by the Group are consistent with those used in its audited financial statements as at 31 December 2014, except for those as disclosed under item 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

FRS 40 Investment Property (effective for annual periods beginning on or after 1 July 2014)

The standard is amended to clarify that FRS 40 and FRS 103 are not mutually exclusive. The guidance in FRS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in FRS 103 to determine whether the acquisition of an investment property is a business combination.

The Group will apply this amendment for acquisition of investment property taking place on/after 1 January 2015 (if any).

FRS 108 Operating Segments (effective for annual periods beginning on or after 1 July 2014)

The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics.

The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.

The adoption of the FRS does not have any material impact on the amounts reported for the current and prior financial year.

FRS 113 Fair Value Measurement (effective for annual periods beginning on or after 1 July 2014)

The amendment clarifies that the portfolio exception in FRS 113, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of FRS 39.

The adoption of the FRS does not have any material impact on the amounts reported for the current and prior financial year.

FRS 24 Related Party Disclosures (effective for annual periods beginning on or after 1 July 2014)

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ("the management entity").

The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

The adoption of the FRS does not have any material impact on the amounts reported for the current and prior financial year.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	<u>Group</u>	
	31 Mar 2015	31 Mar 2014
Earnings/(losses) per ordinary share of the Group for the year, after deducting any provision for preference dividends:-		
(i) Based on the weighted average number of ordinary shares on issue (in cents)	0.02	(0.19)
(ii) On a fully diluted basis (in cents)	0.02	(0.19)

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	31 Mar 2015	31 Dec 2014 Audited	31 Mar 2015	31 Dec 2014 Audited
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at the end of the financial period/year:-	24.89 cents	24.41 cents	24.72 cents	22.37 cents
Number of existing issued shares excluding treasury shares at end of the financial period/year:	852,920,638	852,920,638	852,920,638	852,920,638

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group recorded sales of S\$6.932 million for the 1st quarter ended 31 March 2015 as compared to S\$7.463 million for the same period of the previous year.

The decrease in sales for the 1st quarter under review as compared to the same period last year was mainly due to the following:

- i) The absence of sales from the Oppama project, as all apartment units were completely sold in 1st quarter 2014;
- ii) Fewer unsold units available for sale from Oiso project in 1st quarter 2015, and
- iii) The absence of rental income from the two Sapporo hotels which were sold at the end of FY2014.

Gross profit increased by 9.2% to S\$3.595 million as compared to S\$3.291 million of the same quarter of the previous year was mainly attributed to income from the hotel operations, despite the absence of the rental income from the two Sapporo hotels which were sold at the end of FY2014.

The Group recorded a profit before tax of S\$1.317 million but with the withholding tax expense incurred in Japan, it resulted in a profit after-tax of S\$0.306 million for the 1st quarter ended 31 March 2015.

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

The commentary under paragraph 10 of the Group's previous results announcement (Q4 FY2014) and the actual results are in line with the commentary.

10. 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 reporting period and the next 12 months.

The Group shall continue to explore and evaluate business opportunities relating to its core business of property investments and development, with a particular focus on hotel investments and other income producing assets. In conjunction with its hotel investments, the Group will also seek and evaluate to expand its hotel management service business.

On 1 April 2015, CIMB Bank Berhad, Singapore Branch announced, for and on behalf of Mr. Oei Hong Leong (“OHL”), a mandatory conditional cash offer (“Offer Announcement”) for all the issued and paid-up ordinary shares in the capital of the Company, other than those already owed, controlled or agreed to be acquired by OHL (the “Offer”). The Offer Document in relation to the Offer has been dispatched on 17 April 2015.

The Offeree Circular containing, *inter alia*, the advice of the Independent Financial Adviser to the Independent Directors and the recommendation of the Independent Directors in respect of the Offer has been dispatched by the Company to the shareholders on 30 April 2015.

Copies of the Offer Announcement, the Offer Document and the Offeree Circular are available on the website of the SGX-ST at www.sgx.com.

11. 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.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. 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.

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 1st quarter ended 31 March 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ngiam Mia Je Patrick
Executive Chairman

Ngiam Mia Kiat Benjamin
Managing Director

4 May 2015

BY ORDER OF THE BOARD

Lauw Hui Kian
Director

4 May 2015

UNAUDITED FIRST QUARTER FINANCIAL ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2015

The Singapore Code on Take-overs and Mergers

The Condensed Interim Financial Information of the Group for the three months ended 31 March 2015 have been reported on by the Independent Auditors in accordance with the Singapore Code on Take-overs and Mergers.

The Unaudited First Quarter Financial Statements of the Group for the period ended 31 March 2015 have been examined by the Independent Financial Adviser in accordance with Rule 25 of the Singapore Code on Take-overs and Mergers.

Directors' Responsibility Statement

The Directors of the Company (including those who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this announcement are fair and accurate and, where appropriate, no material facts have been omitted from this announcement, the omission of which would make any statement in this announcement misleading. Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors of the Company has been to ensure that such information been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced herein.

The Directors of the Company jointly and severally accept responsibility accordingly.

Independent Auditor's Consent

PricewaterhouseCoopers LLP has given and has not withdrawn its consent to the reproduction of their Report on the Review of the Condensed Interim Financial Information of the Group for the three months ended 31 March 2015 dated 4 May 2015 (the "**Report**") in this announcement and all references to their name and the Report in the form and context in which they are included in this announcement.

Independent Financial Adviser's Consent

Xandar Capital Pte. Ltd. has given and has not withdrawn its consent to the release of this announcement with the inclusion therein of its name, its letter dated 4 May 2015 and all references thereto, in the form and context in which they are included in this announcement.

BY ORDER OF THE BOARD

Lauw Hui Kian
Director

4 May 2015

Appendix 1

The extract of the review report dated 4 May 2015, on the condensed interim financial information of the Company and its subsidiaries for the quarter ended 31 March 2015 which has been prepared in accordance with Singapore Financial Reporting Standard 34, Interim Financial Reporting, is as follows:



To IPC Corporation Ltd (“Company”)

Report on Review of Condensed Interim Financial Information For the first quarter ended 31 March 2015

Introduction

We have reviewed the accompanying condensed interim financial information of IPC Corporation Ltd (the “Company”) and its subsidiaries (the “Group”), which comprise the condensed consolidated interim statement of financial position of the Group and the condensed interim statement of financial position of the Company as at 31 March 2015, the condensed consolidated interim statement of comprehensive income of the Group, the condensed consolidated interim statement of changes in equity of the Group, the condensed interim statement of changes in equity of the Company, and the condensed consolidated interim statement of cash flows of the Group for the financial period from 1 January 2015 to 31 March 2015. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with Financial Reporting Standard 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review


We conducted our review in accordance with Singapore Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed 1st quarter interim financial information is not prepared, in all material respects, in accordance with Financial Reporting Standard 34 Interim Financial Reporting.

Restriction of use

Our work was undertaken solely to assist the Company to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and are not to be used for any other purpose.


PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 4 May 2015

PricewaterhouseCoopers LLP, 8 Cross Street #17-00, PWC Building, Singapore 048424
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4 May 2015

IPC Corporation Ltd
23 Tai Seng Drive
#06-00 Deutsche Telekom Centre
Singapore 535224

Attention: The Independent Directors

MANDATORY CONDITIONAL CASH OFFER FOR ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF IPC CORPORATION LTD OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY OEI HONG LEONG (THE "OFFER")

For the purpose of this letter, capitalised terms not otherwise defined shall have the meanings given to them in the circular to Shareholders of IPC Corporation Ltd dated 30 April 2015 (the "Circular").

This letter has been prepared in accordance with Rule 25 of the Singapore Code on Take-overs and Mergers (the "Code") and is appended as Appendix 2 to the unaudited consolidated financial statements of IPC Corporation Ltd (the "Company") for the first quarter ended 31 March 2015, as announced by the Company on 4 May 2015 ("Interim Financial Statements").

We have examined the Interim Financial Statements and have held discussions with the management of the Company on the Interim Financial Statements. In rendering our opinion, we have relied on the accuracy and completeness of all information provided to, or discussed with us. We have not verified the accuracy and completeness of such information. Nonetheless, we have made reasonable enquiries and used our judgement in assessing such information. We have also relied on the confirmation by the Board that, to the best of their knowledge, nothing has come to the attention of the Board which may render the Interim Financial Statements to be false or misleading in any material aspect. In addition, we have considered the report dated 4 May 2015 addressed to the Company by the Company's auditors, PricewaterhouseCoopers LLP, in relation to its review of the condensed interim financial information for the first quarter ended 31 March 2015.

Based on the foregoing, we are of the opinion that the Interim Financial Statements (for which the Directors are solely responsible) have been prepared by the Directors after due and careful enquiry. Save as provided in this letter, we do not express any other opinion on the Interim Financial Statements.

This letter is provided to the Directors for the sole purpose of complying with Rule 25 of the Code. We do not accept any responsibility to any person (other than to the Directors) in respect of, or arising from, or in connection with this letter.

Yours faithfully
XANDAR CAPITAL PTE. LTD.

A handwritten signature in black ink, appearing to read "Loo Chin Keong".

LOO CHIN KEONG
EXECUTIVE DIRECTOR

A handwritten signature in black ink, appearing to read "Pauline Sim Poi Lin".

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE