



ANNUAL REPORT 2017

Vision

To be an accomplished property developer
& hospitality group in Asia

Mission

We are committed to provide value to our
stakeholders & be socially responsible

Core Values

PLEDGE OF PARTNERSHIP

We adopt a "Partnership" approach
to achieve "win-win" in all relationships

SENSE OF RUB

Assuming RESPONSIBILITY is a SPIRIT
and conviction to all our stakeholders

Upholding an ATTITUDE of URGENCY unleashes dynamism
and relentless effort in accomplishing our mission

BELONGING is a BELIEF that will harness unity
and strength in building a Great Corporation

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CHAIRMAN'S STATEMENT



“The Group recorded sales increase of 3.8% to S\$4.070 million for the year ended 31 December 2017 compared to S\$3.920 million recorded for the previous year.”

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report of IPC Corporation Limited (“IPC” or “The Group”) for the financial year ended 31 December 2017 (“FY2017”).

During the year under review, the operating performance of Grand nest HOTEL zhuhai continued to improve. The occupancy rate improved to above 70% performing better than the industry average of 60% in Zhuhai, the PRC. At the same time, the contribution from the business/corporate segment continued to gain good traction which is part of the hotel’s marketing focus.

The Group recorded sales increase of 3.8% to S\$4.070 million for the year ended 31 December 2017 compared to S\$3.920 million recorded for the previous year. The increase in sales was mainly due to the increase in the sales revenue of Grand nest HOTEL zhuhai, China.

Gross profit decreased by 36.7% to S\$0.806 million compared to S\$1.274 million in 2016, mainly due to the depreciation and amortisation of leasehold properties were charged for the full year in 2017 compared to only half year in 2016 arising from the reclassification of non-current asset held for sale to prepaid leasehold properties and property, plant and equipment.

CHAIRMAN'S STATEMENT

The other net losses this year were mainly due to the weakening of the United States Dollar against the Singapore Dollar. As a result, The Group recorded a total loss after-tax of S\$4.768 million for the financial year ended 31 December 2017.

DEVELOPMENTS IN FY2018

On 30 November 2017, the Company entered into a binding term sheet with Global Health Byte Pte Ltd. ("GHB") in relation to the proposed investment in GHB for the aggregate investment amount of S\$2 million.

GHB is a private company incorporated in the Republic of Singapore and is building an intelligent, scalable clinic management and electronic medical record systems with accurate, up-to-date and actionable data to help physicians, clinics and individuals take smarter decisions.

This move is part of our plan to explore new markets and exploit business opportunities. The healthcare industry is one we believe will prove to be a sustainable long term business potential.

Concurrently, The Group will continue to focus on its hospitality business development and other opportunities to strengthen its operating performance.

WORDS OF APPRECIATION

On behalf of the Board, I would like to express my deepest appreciation to Ms Li Ling Xiu, Mr Seah Seow Kang Steven and Mr Lee Joo Hai, who stepped down from the Board in April 2017 as part of the Board renewal process. We thanked them for their invaluable contributions to the Company during their tenure in office.

I would also like to extend my warmest welcome to Mr Teo Kiang Kok and Dato' Dr Choo Yeow Ming, who joined the Board in July 2017 as independent directors. We look forward to their counsel and contributions in the years ahead.

At the same time, I extend my sincere thanks to the Board Members, management team and staff for their strong sense of duty, loyalty and commitment as well as their invaluable contribution towards The Group. I would also like to express my heartfelt gratitude to our shareholders, business associates and our valued customers for their dedication, support and contributions made to The Group for the past year.

With your support, we will endeavour to ensure that The Group shall explore and capture new business opportunities that can sustain performance and value to all stakeholders.

NGIAM MIA JE PATRICK

Chairman & Chief Executive Officer



OPERATIONS REVIEW

For the financial year that ended on 31 December 2017 ("FY2017"), The Group had concluded the year by entering into a binding term sheet with Global Health Byte Pte Ltd. ("GHB") in relation to the proposed investment in GHB for the aggregate investment amount of S\$2 million. GHB is a private company incorporated in the Republic of Singapore and is building an intelligent, scalable clinic management and electronic medical record systems with accurate, up-to-date and actionable data to help physicians, clinics and individuals take smarter decisions. This move is in line with The Group's objective of embarking on new business opportunities which would enhance our shareholder's value and increase business confidence in The Group.

The Group registered an increase in recorded sales by 3.8% to S\$4.070 million compared to S\$3.920 million recorded for the previous year ("FY2016"). The increase in sales was mainly due to the increase in the sales revenue of Grand nest HOTEL zhuhai, China.

Gross profit had decreased by 36.7% to S\$0.806 million compared to S\$1.274 million in FY2016, mainly due to the depreciation and amortisation of leasehold properties were charged for the full year in 2017 compared to only half year in 2016 arising from the reclassification of non-current asset held for sale to prepaid leasehold properties and property, plant and equipment.

The other net losses this year were mainly due to the weakening of the United States Dollar against the Singapore Dollar. As a result, The Group recorded a total loss after-tax of S\$4.768 million for the financial year ended 31 December 2017.

The Group's cash and cash equivalent balances as at 31 December 2017 was S\$7.334 million compared to S\$10.619 million in the previous year. The decrease was mainly due to the repayments of borrowing. This, in turn, also decreased The Group's current liabilities to S\$5.545 million as compared to S\$9.834 million in FY2016.

Performance for Grand nest HOTEL zhuhai continue to race ahead with better occupancy rate of above 70% which exceeds the industry average of 60%. At the same time, gross operating profit for the hotel has improved as compared with the previous year.

We shall continue to focus on our hospitality business development. At the same time, we are continually seeking out new business opportunities to strengthen our operating performance.



OPERATIONS REVIEW

*“Performance for Grand nest HOTEL zhuhai continue to race ahead with better occupancy rate of **above 70%** which exceeds the industry average of 60%.”*





FINANCIAL HIGHLIGHTS

Total Sales (\$ million)



Net Loss After Tax Attributable to Equity Holders of The Company (\$ million)



Losses per share (\$ cents)



Net Asset Value Per Ordinary Share (\$)



Cash and Cash Equivalents (\$ million)



SUSTAINABILITY POLICIES AND OBJECTIVES

The Group applies the following principles to the work we do in building a sustainable business that deliver long term value and growth to all our stakeholders.

Guiding Principles:

- **Responsible Business:** Conduct business in a manner that is honest, transparent, environmentally responsive and ethical.
- **Integrity:** Embed integrity into our decisions so as to align with our strategic goals and benefit our stakeholders and the environment.
- **Equality and Respect:** Conduct business with ethical conduct, which support equality and respect.
- **Focus on our People:** Provide our people with opportunities to succeed, grow and give back to their communities.
- **Innovation:** Use dynamic thinking and innovative technology to enhance the memorable experience, while adapting and responding to the changing market and global environmental issues.
- **Resource Efficiency:** Reduce the negative impact of our operations.
- **Sustainable Growth:** Grow our operations in a sustainable manner that benefit the environment for years to come.

COMMITMENT TO OUR ENVIRONMENT

We are committed to environmental protection and sustainability. We strive to minimise our properties' operational impact on the environment through resource conservation and best practices.

In delivering this commitment, we will endeavour to:

- Work diligently to minimise our waste stream and conserve natural resources, particularly through energy and water conservation.
- Value the natural and cultural heritage of our properties, allowing us to give our guests an authentically local experience.
- Comply with all applicable environmental legislation and strive to follow best environmental practices.
- Make environmental considerations an important aspect of decision-making.

COMMITMENT TO CUSTOMER PRIVACY

We are fully committed to protecting our guests' privacy and safeguarding their personal data.

In delivering this commitment:

- We provide our guests with information about the collection and use of personal data furnished by, or collected from our guests while using our websites, products and services. The main purpose for collecting guests' personal data is to allow us to provide our guests with the requested services, etc.
- We take reasonable precautions to protect the security of the personal data collected.

The Company shall publish its inaugural sustainability report by December 2018.

BOARD OF DIRECTORS

NGIAM MIA JE PATRICK

Ngiam Mia Je Patrick is the Chairman and CEO of IPC. He has served on IPC's board of directors since 16 October 1992. He is also the Chairman and co-founder of Essex Investment and its group of companies ("Essex"). Patrick, graduated in Electronics Engineering with first class honours, is an acknowledged entrepreneur in Singapore and has received many accolades. In 1990, he was awarded the inaugural KPMG High-Tech Entrepreneur Award. Other awards include the DHL & Singapore Press Holdings Singapore Business Award for Businessman of the Year in 1994 and the Chevalier De L'Ordre National Du Merite conferred by Le President De La Republique Francaise in 1996. His last re-election to the Board was on 28 April 2016.

NGIAM MIA KIAT BENJAMIN

Ngiam Mia Kiat Benjamin is the Managing Director of IPC. He has served on IPC's board of directors since 16 October 1992. He is also the co-founder of Essex. He has a Bachelor of Science in Electronics Engineering and graduated with first class honours from the University of Essex (UK).

LAUW HUI KIAN

Lauw Hui Kian is the Finance and Administration Director of IPC. She has served on IPC's board of directors since 8 May 1985. She graduated from the University of Essex (UK) with a Bachelor of Arts in Mathematical Economics with second class honours. Prior to joining IPC, she was the head of the finance department at Essex. Her last re-election to the Board was on 28 April 2015.

NGIAM MIA HAI BERNARD

Ngiam Mia Hai Bernard is the Executive Director of IPC and has served on IPC's board of directors since 8 May 1985. He graduated from the National University of Singapore with a Bachelor of Business Administration. His last re-election to the Board was on 28 April 2016.

NGIAM MIA HONG ALFRED

Ngiam Mia Hong Alfred is the Executive Director of IPC and has served on IPC's board of directors since 10 October 1991. He graduated from the University of Waterloo, Canada with a Bachelor of Mathematics in Computer Science and Statistics, Dean's Honour Roll. His last re-election to the Board was on 28 April 2015.

LEE SOO HOON PHILLIP

Lee Soo Hoon Phillip is an Independent Director of IPC. He was appointed to IPC's board of directors on 9 February 1998 and is the Chairman of the Audit Committee. He is a Fellow of the Institute of Chartered Accountants in England and Wales and the Chartered Accountants of Singapore, a member of the Malaysian Institute of Certified Public Accountants, the Malaysian Institute of Accountants and the Singapore Institute of Directors. He worked as an auditor in the United Kingdom and on his return to Singapore, joined the predecessor firm of Ernst & Young.

He was made a partner of Ernst & Young in 1978 and was a Staff Partner for five years. His experience covers areas of audit, investigations, liquidations, reorganisations and valuations. Currently, he is the Managing Director of Phillip Lee Management Consultants Pte Ltd. His last re-appointment as a Director was on 28 April 2016.

LIEN KAIT LONG

Lien Kait Long is an Independent Director of IPC. He was appointed to IPC's board of directors on 5 July 2013 and the Lead Independent Director and Chairman of the Nominating Committee in 2017. He holds a Bachelor of Commerce in Accountancy from Nanyang University (Singapore) and is a fellow member of the CPA Australia and Chartered Accountant of Singapore. He had held a number of senior management positions as well as executive directorship in various public and private corporations in Singapore, Hong Kong and China. Currently, he serves as Independent Director on the board of several Singapore and Chinese companies listed on the Singapore Exchange. The listed companies that he has current and prior experience in are from diverse industries including manufacturing, renewable energy, oil and gas service provider, consumer goods, property and packaging products. His last re-election to the Board was on 29 April 2014.

TEO KIANG KOK

Teo Kiang Kok is an Independent Director of IPC. He was appointed to IPC's board of directors on 12 July 2017 and is the Chairman of the Remuneration Committee. Mr Teo, a senior lawyer, was a partner of Shook Lin & Bok LLP, a firm of advocates and solicitors, from 1987 to 2011. He is currently the firm's senior consultant. He has more than 30 years of experience in legal practice. His main areas of practice are corporate finance, international finance and securities. In the course of his legal practice, Mr Teo has advised listed companies extensively on corporate law and compliance requirements. He also serves on the board of several companies listed on the Singapore Exchange.

DATO' DR CHOO YEOW MING

Dato' Dr Choo Yeow Ming is an Independent Director of IPC. He was appointed to IPC's board of directors on 12 July 2017. He is a lawyer by training. He obtained his law degrees from the University of Malaya, the Chicago-Kent College of Law and the Harvard University Law School. Dato' Dr Choo practiced as an attorney in Chicago, Minneapolis, New York and Hong Kong, specialising in capital market transactions, mergers and acquisitions. He was a partner at Winthrop Stimson Putnam & Roberts (now known as Pillsbury Winthrop) from 1992 to 2001, before becoming the executive chairman of Capital Strategic Investment Limited, which is listed on the Hong Kong Exchanges and Clearing Limited. He stepped down from this role in 2005. Currently, he is the Chairman and CEO of Asia-Pacific Strategic Investments Limited, a public company listed on Catalist Board of Singapore Exchange.

CORPORATE INFORMATION

Executive Directors

Ngiam Mia Je Patrick
(Chairman & Chief Executive Officer)

Ngiam Mia Kiat Benjamin
(Managing Director)

Lauw Hui Kian (Ms)
(Executive Director –
Finance & Administration)

Ngiam Mia Hai Bernard
(Executive Director –
Marketing & Corporate Communications,
Business Development)

Ngiam Mia Hong Alfred
(Executive Director –
Business Development & IT Solutions)

Non-Executive Directors

Lee Soo Hoon Phillip
(Independent,
Chairman – Audit Committee)

Lien Kait Long
(Independent,
Chairman – Nominating Committee,
Lead Independent Director)

Teo Kiang Kok
(Independent,
Chairman – Remuneration Committee)

Dato' Dr Choo Yeow Ming
(Independent,
Member – Audit Committee and
Remuneration Committee)

Audit Committee

Lee Soo Hoon Phillip
(Chairman)

Lien Kait Long

Teo Kiang Kok

Dato' Dr Choo Yeow Ming

Nominating Committee

Lien Kait Long
(Chairman)

Lee Soo Hoon Phillip

Ngiam Mia Je Patrick
(Alternate – Ngiam Mia Kiat Benjamin)

Remuneration Committee

Teo Kiang Kok
(Chairman)

Lee Soo Hoon Phillip

Dato' Dr Choo Yeow Ming

Company Secretary

Ngiam Mia Hai Bernard

Company Registration No.

198501057M

Registered Office

23 Tai Seng Drive,
#06-00 Deutsche Telekom Centre,
Singapore 535224
Tel: 67442688 Fax: 67430691
www.ipc.com.sg

Share Registrar's Office

Boardroom Corporate & Advisory
Services Pte Ltd
50 Raffles Place, #32-01,
Singapore Land Tower,
Singapore 048623
Tel: 65365355 Fax: 65361360

Auditors

PricewaterhouseCoopers LLP
7 Straits View,
Marina One East Tower, Level 12,
Singapore 018936

Audit Partner

Trillion So
Date of appointment: w.e.f. FY2014

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2017

The Board of Directors (the “Board”) and Management of IPC Corporation Ltd (the “Company” or together with its subsidiaries, the “Group”), are committed to maintaining a high standard of corporate governance by adhering to the guidelines of the Code of Corporate Governance 2012 (the “Code”). In areas where the Company deviates from the Code, explanations are provided.

This report describes the Company’s corporate governance processes and activities. For ease of reference, the relevant provisions of the Code under discussion are identified in italics.

BOARD OF DIRECTORS

Principle 1: The Board’s Conduct of Affairs

The principal functions of the Board are:

1. approving the Board policies, strategies and financial objectives of the Group and monitoring the performance of Management;
2. overseeing the processes for evaluating the adequacy and effectiveness of internal controls, risk management, financial reporting and compliance;
3. approving the nominations, appointments, re-appointments/re-elections of directors as well as appointment of key management personnel;
4. identifying key stakeholder groups and recognise that their perceptions affect the Company’s reputation;
5. approving major funding proposals, investment and divestment proposals;
6. set the Company’s values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;
7. considers sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; and
8. assuming responsibility for corporate governance.

All directors must objectively discharge their duties and responsibilities at all times as fiduciaries in their interest of the Company.

Matters which are specifically referred to the full Board for decision are those involving a conflict of interest for substantial shareholder or director, quarterly and full-year results, acquisitions and disposals of assets, corporate or financial restructuring and share issuances, dividends and other returns to shareholders.

The Board is supported by the Audit Committee (“AC”), Remuneration Committee (“RC”) and Nominating Committee (“NC”). Each Board Committee is chaired by an independent director and a majority of the members are independent directors. The Board accepts that while these Board Committees have the delegated power to make decisions, execute actions or make recommendations in their specific areas, the ultimate responsibility rests with the Board.

The Board conducts at least 4 meetings in a year, and ad-hoc meetings are convened as and when required. The Company’s constitution (the “Constitution”) allows a board meeting to be conducted by way of tele-conference or other means of communication. The attendance of directors at meetings of the Board and Board Committees, as well as the frequency of such meetings are disclosed below:

Name	Board of Directors		Audit Committee		Remuneration Committee		Nominating Committee	
	Held	Attended	Held	Number of meetings Attended	Held	Attended	Held	Attended
Ngiam Mia Je Patrick	4	4	4	4 [#]	1	1 [#]	1	1
Ngiam Mia Kiat Benjamin	4	4	4	4 [#]	1	1 [#]	1	1 [#]
Lauw Hui Kian	4	4	4	4 [#]	1	1 [#]	1	1 [#]
Ngiam Mia Hai Bernard	4	3	4	3 [#]	1	–	1	–
Ngiam Mia Hong Alfred	4	4	4	4 [#]	1	1 [#]	1	1 [#]
Lien Kait Long	4	4	4	4	1	1 [#]	1	1
Lee Soo Hoon Phillip	4	4	4	4	1	1	1	1
Teo Kiang Kok ¹	3	3	3	3	1	1	1	1 [#]
Dato’ Dr Choo Yeow Ming ¹	3	3	3	3	1	1	1	1 [#]

Notes: 1. Mr Teo Kiang Kok and Dato’ Dr Choo Yeow Ming were appointed as independent directors of the Company on 12 July 2017.
By invitation.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2017

BOARD OF DIRECTORS *(continued)*

Principle 1: The Board's Conduct of Affairs (continued)

Directors can request explanations, briefings or informal discussions on any aspect of the Group's operations or business issues from Management. The Chief Executive Officer ("CEO") will make the necessary arrangements for these briefings, informal discussions or explanations.

All directors are kept informed of the new updates on corporate governance processes and listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST") from time to time.

For 2017, directors were briefed in areas such as updates on Listing Rules of the SGX-ST, changes to accounting standards and regulatory developments. Relevant news releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority of Singapore were also circulated to the Board. Directors are also encouraged to attend relevant courses conducted by Singapore Institute of Directors, Singapore Exchange Limited, professional firms, business and financial institutions. In 2017, certain directors had attended seminars conducted by Singapore Institute of Directors, Singapore Exchange Limited or professional firms.

All directors are also updated regularly concerning any changes in the Group's policies and procedures relating to issues pertaining to governance, disclosure of interests in securities and restrictions on disclosure of price sensitive information.

Newly appointed directors will be briefed on the Group's business and governance policies. Mr Teo Kiang Kok and Dato' Dr Choo Yeow Ming were appointed as independent directors of the Company on 12 July 2017. Both of them were given an orientation, amongst others on the Group's business strategies, operations and standard operating procedures.

Principle 2: Board Composition and Guidance

The Board comprises four (4) independent directors and five (5) executive directors. This composition complies with the Code's guideline that at least one-third of the Board should be made up of independent directors. Currently, there is no alternate director appointed.

The Code also recommends that independent directors should make up at least half of the Board if the Chairman and CEO is the same person. Taking into account the specialised functions currently helmed by each of the five executive directors and a majority of the independent directors was refreshed during the financial year, the Board is of the view that its current size is adequate to provide for a diversity of views and facilitate effective decision-making. The Company had also appointed a lead independent director to ensure that no one individual represent domination in the Board's decision-making. Each of the Board members is cognizant of their role to demonstrate objectivity in their deliberations in the interest of the Company. The Board will review the need for additional independent director(s) from time to time depending on the evolvement of the Group's operations.

The independence of each director is reviewed annually by the NC. The NC is of the view that the independent directors of the Company are independent and that no individual or small group of individuals dominate the Board's decision making process. Key information regarding the directors is given in the "Board of Directors" section of the Annual Report.

The Board has determined after taking into account the views of the NC, that each independent director, namely Mr Lien Kait Long, Mr Lee Soo Hoon Phillip, Mr Teo Kiang Kok and Dato' Dr Choo Yeow Ming is independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement.

Mr Lee Soo Hoon Phillip had served on the Board for more than 9 years. The NC has conducted a rigorous review of his independence and determined that he has maintained his independence after considering the recommendations set out in the Code. Taking into account the views of the NC, the Board has also reviewed and considered Mr Lee Soo Hoon Phillip to be independent after having determined that he has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interest of the Company.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2017

BOARD OF DIRECTORS *(continued)*

Principle 2: Board Composition and Guidance *(continued)*

Mr Lee Soo Hoon Phillip has throughout his appointment, demonstrated strong independence in character and judgement in the discharge of his responsibilities as director of the Company. He has continued to express his individual viewpoints, debated issues and objectively challenged the Management. He has sought clarification and amplification as he deemed required.

Having considered the nature and the scope of the Group's business and the number of Board Committees, the Board considers its present board size of nine (9) members appropriate. The Board comprises directors who as a group provide a balance of skills, experience and gender (1 female director on the Board) as well as core competencies in accounting, legal and business experience necessary to meet the Group's targets. More details of the directors' experience and core competencies are provided under the "Board of Directors" section in the Annual Report.

Non-executive directors' views and opinions provide alternate perspectives to the Group's business. The non-executive directors exercise objective judgement on the Group's affairs independently from Management. Non-executive directors have reviewed the performance of Management in meeting agreed goals and objectives and monitored the reporting of the performance.

The non-executive directors are free to meet regularly without the presence of Management. The Company would make available its premises for use by non-executive directors at any time for them to meet.

Principle 3: Roles of Chairman and CEO

The positions of Chairman and CEO are held by one person, Mr Ngiam Mia Je Patrick, who is an executive director. The Chairman and CEO is the most senior executive in the Company and bears executive responsibility for the Company's business, as well as for the workings of the Board.

The Chairman's roles include:

- leading the Board to ensure the effectiveness on all aspects of its role;
- setting the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issue;
- promoting a culture of openness and debate at the Board;
- ensuring that the directors receive complete, adequate and timely information;
- ensuring effective communication with shareholders;
- encouraging constructive relations within the Board and between the Board and Management;
- facilitating the effective contribution of non-executive directors in particular; and
- promoting high standards of corporate governance.

The Company believes that the independent directors have demonstrated high commitments in their roles as directors and have ensured that there is a good balance of power and authority. Although the roles and responsibilities of the Chairman and the CEO are vested in Mr Ngiam Mia Je Patrick, the current composition of the Board is able to make objective and prudent judgement of the Group's corporate affairs. The Board is of the view that there are sufficient safeguards and checks to ensure that the process of decision-making by the Board is independent and based on collective decisions without any individual or small group of individuals exercising any considerable concentration of power or influence. Taking cognisance of the non-separation of the roles of the Chairman and the CEO, the Board had appointed Mr Lien Kait Long as lead independent director.

The lead independent director would be available to shareholders where they have concerns and for which contact through the normal channels of the Chairman and the CEO or the Finance Director (or equivalent) has failed to resolve or is inappropriate.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2017

BOARD OF DIRECTORS *(continued)*

Principle 6: Access to Information

In order to ensure that the Board is able to fulfil its responsibilities, Management provides Board members with regular updates of the financial position of the Company. Monthly reports and quarterly reports of the Company's financial performance are provided to the executive directors and the Board respectively. However, sensitive matters may be tabled or discussed at Board meetings without any board papers distributed. Analytical reports on the Company are forwarded to the directors on an on-going basis. The directors have also been provided with the telephone numbers and e-mail particulars of the Company's senior management and company secretary to facilitate access.

Should directors, whether as a group or individually, need independent professional advice, the company secretary will, upon direction by the Board, appoint a suitable professional advisor to render the advice. The cost of such professional advice will be borne by the Company.

The company secretary or his representative attends all Board meetings and is responsible for ensuring that Board procedures are followed. The company secretary also periodically updates the Board on relevant regulatory changes affecting the Company. It is the responsibility of the company secretary and Management to ensure that the Company complies with all statutory and regulatory requirements.

The appointment and the removal of the company secretary is subject to the approval of the Board.

BOARD COMMITTEES

Nominating Committee ("NC")

Principle 4: Board Membership

There are three (3) members in the NC, the majority of whom are independent directors. The Chairman of the NC, Mr Lien Kait Long, is an independent director who is neither a 10% shareholder nor directly associated with a 10% shareholder of the Company.

The members are:

Mr Lien Kait Long	(Chairman)
Mr Lee Soo Hoon Phillip	
Mr Ngiam Mia Je Patrick	(Alternate - Mr Ngiam Mia Kiat Benjamin)

The NC's principal functions are:

1. identifying candidates and reviewing all nominations for the appointment or re-appointment of members of the Board for the purpose of proposing such nominations to the Board for its approval;
2. assessing nominees or candidates for appointment or re-election to the Board, determining whether or not such nominee has the requisite qualifications;
3. deciding how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval;
4. assessing the effectiveness of the Board as a whole, and the contribution by each individual director to the effectiveness of the Board;
5. determining annually whether or not a director is independent;
6. assessing the abilities and the adequacy of directors with multiple board representations in carrying out their duties;
7. reviewing board succession plans for directors, in particular, the Chairman and the CEO; and
8. reviewing training and professional development program for the Board.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2017

BOARD COMMITTEES *(continued)*

Nominating Committee (“NC”) *(continued)*

Principle 4: Board Membership *(continued)*

In the selection and nomination for new directors, the NC taps on the directors’ resources for recommendations of potential candidates. External resources may also be sought to source for potential candidates, where necessary. The potential candidates will go through a shortlisting process and thereafter, interviews are set up with the shortlisted candidates for the NC to assess them before a decision is made. The Board, on the recommendation of the NC, appoints new directors. Such new directors must submit themselves for re-election at the next AGM of the Company in accordance with Article 89 of the Company’s Constitution. Article 90 of the Company’s Constitution requires one-third of the Board to retire by rotation at every AGM.

The NC, in recommending the nomination of any director for re-election, considers the contribution of the director, which includes his qualification, experience, and area of expertise, time and effort devoted to the Group’s affairs, attendance and participation at Board and Board Committee meetings.

The NC has recommended the nomination of directors retiring under Article 89 of the Company’s Constitution, namely Mr Teo Kiang Kok and Dato’ Dr Choo Yeow Ming for re-election at the forthcoming AGM of the Company.

The NC has also recommended the nomination of directors retiring by rotation under Article 90 of the Company’s Constitution for re-election at the forthcoming AGM of the Company, namely Mr Lien Kait Long and Ms Lauw Hui Kian.

Mr Lien Kait Long, Mr Teo Kiang Kok and Dato’ Dr Choo Yeow Ming are not related to any directors or 10% shareholders of the Company.

Each member of the NC shall abstain from voting on any resolutions and/or participating in deliberations of his own re-election.

Although the directors have other listed company board representations and principal commitments, the NC has determined, during the annual assessment of the Board’s performance, that the directors have devoted sufficient time and attention to their role as directors and to the affairs of the Group. The NC is of the view that such appointments will not affect the directors’ ability to carry out their duties as directors of the Company and therefore, it would not be necessary to prescribe a maximum number of listed company board representations a director may hold. The Board concurs with the view of the NC.

The NC has reviewed and satisfied that all the directors have been adequately carrying out their duties as a director of the Company.

Principle 5: Board Performance

The NC has conducted a Board Performance Evaluation exercise to assess the effectiveness of the Board for financial year ended 31 December 2017. The performance criteria include an evaluation of the size and composition of the Board, Board accountability, Board process, guidance to and communication with Management and standards of conduct. The performance criteria will not be changed from year to year unless circumstances deem it necessary for any of the criteria to be changed and the onus should be on the Board to justify the decision. The NC believes it is more appropriate to assess the Board as a whole, rather than assessing individual directors, bearing in mind that each member of the Board contributes in different ways to the effectiveness of the Board.

The NC assessed the Board’s performance and is of the view that the performance of the Board as a whole for financial year ended 31 December 2017 was satisfactory.

Currently, the Board does not assess the performance of the Board Committees. The Board is of the view that given the Board’s size, cohesiveness of the Board members and attendance of directors at Board Committees’ meetings, there is no value-add in having assessments of the Board Committees.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2017

BOARD COMMITTEES (continued)

Nominating Committee ("NC") (continued)

Principle 10: Accountability

The Board is responsible to provide a balanced and understandable assessment of the Company's performance, position and prospects which extends to interim and other price sensitive public reports, and report to regulators (if applicable).

The Board takes adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the Listing Rules of the SGX-ST.

To ensure the Board fulfills its responsibilities, Management is accountable to the Board by providing with the necessary updates in relation to the performance of the Company as well as the financial information for the discharge of its duties. Management provides the Board with information as the Board may require from time to time.

Audit Committee ("AC")

Principle 12: Audit Committee

The AC comprises four (4) members, all of whom are independent directors. The members of the AC, collectively, have expertise and extensive experience in accounting, business, financial management and legal. The Board is of the view that the AC members are qualified to discharge the AC's functions. No former partner or director of the Company's existing auditing firm is a member of the AC.

The members are:

Mr Lee Soo Hoon Phillip (Chairman)
Mr Lien Kait Long
Mr Teo Kiang Kok
Dato' Dr Choo Yeow Ming

The AC met on a quarterly basis for the year ended 31 December 2017 and performed the following main functions:

1. recommended to the Board the nomination of external auditor, approved the remuneration of the external auditor, and reviewed the scope and results of the audit, and its cost-effectiveness;
2. reviewed with Management, external auditor and together with the internal auditor (where necessary), significant financial risks or exposures that exist and assesses the steps Management has taken to minimise such risks to the Group;
3. reviewed with Management, other significant risks and exposures that exist and assesses the steps Management has taken to minimise such risks to the Group;
4. reviewed the following:
 - the Group's quarterly and annual financial statements and related footnotes, and the integrity of financial reporting of the Group including accounting principles for recommendation to the Board for approval;
 - the external auditor's audit of the annual financial statements and reports thereon;
 - the internal audit plan and the internal audit report;
 - the adequacy of the Group's system of accounting controls;
 - the assistance given by Management to external auditor;
 - any related significant findings and recommendations of the external auditor together with Management's responses thereto;
 - any significant changes required in the external auditor's audit plan, any serious difficulties or disputes with Management encountered during the course of the audit and their resolution, and other matters related to the conduct of the audit;
 - the significant financial reporting issues and judgements for ensuring the integrity of the financial statements of the Group and announcements relating to the Group's financial performance; and
 - the effectiveness of the Group's internal audit function.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2017

BOARD COMMITTEES *(continued)*

Audit Committee (“AC”) *(continued)*

Principle 12: Audit Committee *(continued)*

5. reviewed with Management and reported to the Board annually the adequacy and effectiveness of the Group’s internal controls including financial, operational, compliance, and information technology systems and practices;
6. reviewed interested person transactions falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;
7. reviewed legal and regulatory matters that may have a material impact on the financial statements;
8. met once with the external auditor without the presence of Management; and
9. reported actions and minutes of the AC to the Board with such recommendations as the AC considers appropriate.

In the review of the financial statements for the financial year ended 31 December 2017, the AC has discussed with the Management and the external auditor on significant issues and assumptions that impact the financial statements. The most significant matters have also been included in the Independent Auditor’s Report to the members of the Company under “Key Audit Matters”. Following the review, the AC is satisfied that those matters, including the assessment of carrying amount of properties developed for sale, properties held for sale and land held for development, and the assessment of carrying amount of prepaid leasehold properties and property, plant and equipment, have been properly dealt with and recommended the Board to approve the financial statements. The Board has on 26 January 2018 approved the financial statements.

The AC has the power to conduct or authorise investigations into any matters within its terms of reference and has full access to, and co-operation from Management, and full discretion to invite any director and executive officer to attend its meetings. Minutes of the AC meetings are regularly submitted to the Board for its information and review.

The aggregate amount of fees paid to external auditor amounted to S\$146,000 for audit services and S\$4,800 for non-audit services. The Company has complied with Rule 712 and Rule 715 of the Listing Manual of the SGX-ST in relation to the appointment of auditing firm for the financial year ended 31 December 2017.

The AC has conducted an annual review of all non-audit services provided by the external auditor in respect of financial year ended 31 December 2017 and is satisfied that the nature and extent of such services do not affect the independence of the external audit. Accordingly, it has recommended the re-appointment of PricewaterhouseCoopers LLP as external auditor of the Company at the forthcoming AGM.

The Company’s external auditor, PricewaterhouseCoopers LLP, carried out, in the course of their statutory audit, a review of the Company’s material internal controls to the extent required to express an opinion on the Group’s financial statements. Material non-compliance and internal control weaknesses noted during their audit, and the external auditor’s recommendations, are reported to the AC.

Before the release of the Group’s quarterly and full-year results, the AC meets to review the results announcement together with the external auditor prior to its recommendations to the Board for approval.

Any change and issue to accounting standards that may have a direct impact on the financial statements would be raised by the external auditor and kept the AC abreast of such changes.

The Company has in place a whistle-blowing policy. The whistle-blowing policy serves to encourage and provide a channel where employees of the Company may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters. There were no whistle-blowing letters received during the year and until the date of this report.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2017

BOARD COMMITTEES *(continued)*

Accountability and Audit

Principle 11: Risk Management and Internal Controls

The Company currently does not have a risk management committee. However, Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks.

The Company has established four sets of Standard Operating Procedures ("SOP") which are linked to the nature of the business to enhance its internal control systems. The four sets of SOP are (i) Investment Evaluation Risk and Operation Control Measures for Property Investment and Property Development Projects, (ii) IT Disaster Recovery Plan, (iii) Quoted/Unquoted Equity - Fund Investment and (iv) Finance and Operational Internal Controls.

In order to obtain assurance that the Group's risks are managed adequately and effectively, the AC and the Board have reviewed an overview of the risks which the Group is exposed to, as well as an understanding of what countermeasures and internal controls are in place to manage them. The AC and the Board are satisfied that there are adequate internal controls in the Group. The AC and the Board expect the risks assessment process to be a continuing process.

The Board has obtained assurance from the CEO and Finance Director for the period under review:

- (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) that the Group's risk management systems and internal control systems are in place and effective.

Based on the internal controls established and maintained by the Company, work performed by the external auditor and reviews performed by Management, the AC as well as the Board, the AC and the Board are of the opinion that the Group's internal controls, addressing financial, operational, information technology controls, risk management systems and compliance risk were adequate and effective. The Company has complied with Rule 1207(10) of the Listing Manual of the SGX-ST.

Principle 13: Internal Audit

The Company has outsourced its internal audit function. The internal audit will be performed as and when necessary. The internal auditor reports primarily to the Chairman of the AC. The internal auditor plans its internal audit schedule in consultation with but independent of Management. The internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit. The AC reviews the activities of the internal auditor, including overseeing and monitoring of the implementation of improvements required on internal control weaknesses identified. The AC will also review the adequacy and effectiveness of the internal audit function.

The AC approves the hiring, removal, evaluation and compensation of the accounting/auditing firm to which the internal audit function is outsourced. The internal auditor has unfettered access to all the Group's documents, records, properties and personnel, including access to the AC.

The AC reviews the audit plans and ensures that the internal audit has been carried out effectively.

The internal auditor has adopted the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

As part of the annual statutory audit of the financial statements, the external auditor also reports to the AC on any material weaknesses in the Group's internal controls and provides recommendation on other significant matters such as risks management which have come to their attention during the course of the audit.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2017

BOARD COMMITTEES (continued)

Remuneration Committee ("RC")

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure on Remuneration

The RC comprises three (3) members, all of whom are independent directors.

The members are:

Mr Teo Kiang Kok (Chairman)
Mr Lee Soo Hoon Phillip
Dato' Dr Choo Yeow Ming

The RC possesses general knowledge in the field of remuneration and will seek external professional advice, if necessary.

The RC's principal responsibilities are to review and recommend to the Board, a framework of remuneration and to determine specific remuneration packages and terms of employment for each of the executive directors and key management personnel to ensure that the remuneration packages are competitive and sufficient to attract, retain and motivate senior management of the required quality to run the Company successfully. Each member of the RC shall abstain from discussions and voting on any resolutions in respect of the assessment of his own remuneration.

In setting remuneration packages for the executive directors and key management personnel, the Company takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individuals. The terms of the service contracts of the executive directors and key management personnel, including termination clauses, are not overly generous.

The executive directors' remuneration packages include a variable component which is performance related and other benefits.

The executive directors' service contracts had been renewed for a period of 5 years till 10 April 2021.

For competitive reasons and due to sensitivity, the Company is not disclosing the remuneration of each individual director. The Company is of the view that the disclosure in bands of S\$250,000 would provide a good overview and is informative of the remuneration of the executive directors, who are also the key management personnel. The disclosure by respective bands of remuneration for the financial year ended 31 December 2017 is provided as follows:

	Profit sharing %	Remuneration %	Director's fee %
S\$250,000 to S\$499,999			
- Ngiam Mia Je Patrick	–	100	–
- Ngiam Mia Kiat Benjamin	–	100	–
- Lauw Hui Kian	–	100	–
- Ngiam Mia Hai Bernard	–	100	–
- Ngiam Mia Hong Alfred	–	100	–
Below S\$250,000			
- Lee Soo Hoon Phillip	–	–	100
- Lien Kait Long	–	–	100
- Teo Kiang Kok ¹	–	–	100
- Dato' Dr Choo Yeow Ming ¹	–	–	100

Note:

1. Mr Teo Kiang Kok and Dato' Dr Choo Yeow Ming were appointed as independent directors of the Company on 12 July 2017.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2017

BOARD COMMITTEES *(continued)*

Remuneration Committee ("RC") (continued)

Principle 7: Procedures for Developing Remuneration Policies (continued)

Principle 8: Level and Mix of Remuneration (continued)

Principle 9: Disclosure on Remuneration (continued)

The Company does not have any other key management personnel apart from executive directors and hence, no disclosure was made on remuneration of key management personnel for the financial year ended 31 December 2017. The Company has no employee who is an immediate family member of a director or the CEO and whose remuneration exceeds S\$50,000 for the financial year ended 31 December 2017.

Only non-executive directors are paid directors' fees and the fees are subject to the approval of the shareholders at the Company's AGM. The proposed fees are determined after considering factors such as effort, time spent and contribution from the non-executive directors as well as in accordance with the market practice. No director is involved in deciding his own remuneration.

The Company adopts a remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of variable bonus that is linked to the performance of the Company and the individual's performance. The Company currently does not have any share option or long-term incentive scheme in place.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from executive directors in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss to the Company. The executive directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the executive directors in the event of such breach of fiduciary duties. The RC will when appropriate, review the need to adopt such provisions.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

Principle 15: Communication with Shareholders

Principle 16: Conduct of Shareholder Meetings

The Company's results announcements are disseminated through SGXNET, news releases and the Company's website. All information on the Company's new initiatives are first disseminated via SGXNET followed by a news release (whenever deemed necessary), which is also available on the Company's website at www.ipc.com.sg.

The Company is aware of its obligations to shareholders in providing information regarding any changes in the Group's business which would likely to materially affect the price or value of the Company's shares.

Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously at such meetings. Results and annual reports are announced or issued within the mandatory period and are available on the Company's website. The Company does not practise selective disclosure.

The Company has an investor relations team who communicates with its investors and attends to their queries. All shareholders of the Company receive the annual reports and/or circulars for its general meeting. The notice of shareholders' meetings is also advertised in a daily newspaper and is made available on the SGXNET. At the AGM, shareholders are given the opportunity to air their views and ask directors (including the Chairman of AC, NC and RC who would be present at the AGM) and/or Management questions regarding the Company. The external auditor is also invited to attend the AGM to assist the directors in addressing any queries relating to the conduct of the audit and the preparation and content of the auditor's report.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2017

SHAREHOLDER RIGHTS AND RESPONSIBILITIES (continued)

Principle 14: Shareholder Rights (continued)

Principle 15: Communication with Shareholders (continued)

Principle 16: Conduct of Shareholder Meetings (continued)

Pursuant to the Company's Constitution, a poll may be demanded by the Chairman of the general meeting, or by at least two members, or member(s) representing not less than one-tenth of the total voting rights of all members having the rights to vote at a meeting. The Company will be conducting poll voting for all resolutions proposed at the forthcoming AGM for greater transparency in the voting process in accordance with the Listing Manual of SGX-ST. An independent scrutineer is appointed to count and validate the votes cast at the general meetings. The total number of votes cast for or against each resolution will be announced at the general meetings. The detailed voting results will also be announced to SGX-ST via SGXNET on the same day after the conclusion of the general meetings.

The Company ensures that there are separate resolutions at general meetings on each distinct issue. The minutes of the general meetings are available to shareholders upon their written request.

If any shareholder is unable to attend a shareholder's meeting, he/she is allowed to appoint up to two (2) proxies to vote in his/her behalf at the meeting through proxy form(s) which are sent together with the annual reports or circulars (as the case may be).

As the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email or fax.

The Company does not have a formal dividend policy. The form, frequency and amount of any proposed dividend will take into consideration the Group's operating results, financial position, working capital requirements and any other relevant considerations as the Board may deem appropriate.

For financial year ended 31 December 2017, no dividend has been proposed by the Board in view of the Company's financial performance during the year.

Dealing in Securities

The Company has adopted a code of conduct to provide guidance to its officers with regard to dealings in Company's securities which states that its directors and officers are not allowed to deal in the Company's securities during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year or one month before the announcement of the Company's results for the financial year and ending on the date of the announcement of the results, and at any time they are in possession of unpublished material price sensitive information. In addition, the directors, officers and employees of the Group are discouraged from dealing in the Company's securities on short-term considerations. The Company confirms that it has adhered to its code of conduct pursuant to Rule 1207(19) of the Listing Manual of the SGX-ST on Dealings in Securities.

Interested Person Transactions

The Company has procedures for review and approval of any transactions with interested persons within the definition of Chapter 9 of the Listing Manual of the SGX-ST. There were no interested person transactions during the financial year which exceed the threshold limits set out under Chapter 9 of the Listing Manual of the SGX-ST and no announcement or shareholders' approval was, therefore, required.

Material Contracts

No material contracts were entered between the Company or any of its subsidiaries with any directors or controlling shareholders during the financial year ended 31 December 2017.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2017

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2017 and the statement of financial position of the Company as at 31 December 2017.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 29 to 77 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2017 and of the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Mr Ngiam Mia Je Patrick
Mr Ngiam Mia Kiat Benjamin
Ms Lauw Hui Kian
Mr Ngiam Mia Hai Bernard
Mr Ngiam Mia Hong Alfred
Mr Lee Soo Hoon Phillip
Mr Lien Kait Long
Mr Teo Kiang Kok (appointed 12 July 2017)
Dato' Dr Choo Yeow Ming (appointed 12 July 2017)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2017	At 1.1.2017	At 31.12.2017	At 1.1.2017
IPC Corporation Ltd				
(No. of ordinary shares)				
Ngiam Mia Je Patrick	1,063,981	1,063,981	8,717,893	8,717,893
Ngiam Mia Kiat Benjamin	1,053,681	1,053,681	7,558,114	7,558,114
Lauw Hui Kian	1,159,779	1,159,779	8,622,095	8,622,095
Ngiam Mia Hai Bernard	1,096,029	1,096,029	–	–
Ngiam Mia Hong Alfred	1,058,529	1,058,529	–	–

- (b) According to the register of directors' shareholdings, no director holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted.
- (c) The directors' interests in the ordinary shares of the Company as at 21 January 2018 were the same as those as at 31 December 2017.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2017

Share options

There were no options granted during the financial year.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Audit Committee

The members of the Audit Committee ("AC") at the end of the financial year were as follows:

Mr Lee Soo Hoon Phillip	(Chairman)
Mr Lien Kait Long	
Mr Teo Kiang Kok	(appointed 18 July 2017)
Dato' Dr Choo Yeow Ming	(appointed 18 July 2017)

All members of the AC are non-executive and independent directors.

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50. In performing those functions, the AC reviewed:

- the scope and the results of internal audit procedures (if any);
- the audit plan of the Company's independent auditor and any recommendations on internal controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2017 before their submission to the Board of Directors, as well as the independent auditor's report on the statement of financial position of the Company and the consolidated financial statements of the Group.

The AC has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent Auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors



Ngiam Mia Je Patrick
Chairman



Ngiam Mia Kiat Benjamin
Director

26 January 2018

INDEPENDENT AUDITOR'S REPORT

To the members of IPC Corporation Ltd

Report on the Audit of the Financial Statements

Opinion

In our opinion, the accompanying consolidated financial statements of IPC Corporation Ltd (the "Company") and its subsidiaries (the "Group") and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated statement of comprehensive income of the Group for the year ended 31 December 2017;
- the statements of financial position of the Group and of the Company as at 31 December 2017;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2017. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

To the members of IPC Corporation Ltd
(continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Assessment of carrying amount of properties developed for sale, properties held for sale and land held for development</i></p> <p>Properties developed for sale, properties held for sale and land held for development located in Zhuhai, China amounting to \$19.535 million (2016: \$20.080 million), \$3.145 million (2016: \$3.225 million) and \$6.422 million (2016: \$6.422 million) respectively were subject to net realisable value tests as at 31 December 2017. The net realisable values of these assets have been determined based on valuations performed by external appraisers engaged by the Group.</p> <p>On 18 January 2018, the Group has entered into a framework agreement with a third party to dispose of its land held for development for a total proceeds which is above the carrying amount of the asset as at 31 December 2017. Subject to certain completion conditions, and if such conditions are met, the disposal will be completed by 30 March 2018. Further disclosures are in Note 21.</p> <p>Given the level of judgement involved in the valuation models used and the sensitivity to the assumptions around capitalisation rate and market rental rates, this was an area of focus for us.</p> <p>The disclosures relating to these properties are included in Note 3 (a) - Critical accounting estimates, assumptions and judgements, Note 13 - Properties developed for sale, Note 14 - Properties held for sale, and Note 21 - Land held for development.</p>	<p>Our audit procedure focused on the valuation process and included the following:</p> <ul style="list-style-type: none"> We assessed the competency and objectivity of the appraisers engaged and held discussions with the appraisers to understand their valuation methods and assumptions used, when necessary. We obtained an understanding of the valuation methodologies used and assessed the reasonableness of the key assumptions used such as adjustments made to recent transacted sales of similar properties, and performed independent research on the general prices of properties in the area to determine if the prices are similar to the prices of properties used. We also tested the data and information used by the appraisers including the market rental rates and assessed the appropriateness of the capitalisation rate used. <p>We have read the framework agreement and discussed the details of the completion conditions in the agreement with the management. We have enquired on the background of the buyer to determine that it is an independent party. We have also compared the estimated selling price to the carrying amount of the land held for development as at 31 December 2017 to ascertain that the selling price is above the carrying amount.</p> <p>The evidence we obtained from performing our procedures indicated that management's estimates and assumptions were reasonable.</p>

INDEPENDENT AUDITOR'S REPORT

To the members of IPC Corporation Ltd
(continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><i>Assessment of carrying amount of prepaid leasehold properties and property, plant and equipment</i></p> <p>Prepaid leasehold properties and property, plant and equipment located in Zhuhai, China amounting to \$20.913 million (2016: \$22.202 million) and \$29.527 million (2016: \$31.503 million) respectively were assessed for impairment indicator as at 31 December 2017. The hotel management business in Zhuhai, China has shown an increase in the profit before tax in the current financial year. As an additional assessment, the Group has engaged external appraisers to perform valuation on the assets.</p> <p>Given the level of judgement involved in the valuation models used and the sensitivity to the assumptions around capitalisation rate and market rental rates, this was an area of focus for us.</p> <p>The disclosures relating to these assets are included in Note 3 (b) - Critical accounting estimates, assumptions and judgements, Note 20 - Prepaid leasehold properties, and Note 22 - Properties, plant and equipment.</p>	<p>Our audit procedure focused on the valuation process and included the following:</p> <ul style="list-style-type: none"> • We assessed the competency and objectivity of the appraisers engaged and held discussions with the appraisers to understand their valuation methods and assumptions used, when necessary. • We obtained an understanding of the valuation methodologies used and assessed the reasonableness of the key assumptions used such as adjustments made to recent transacted sales of similar properties, and performed independent research on the general prices of properties in the area to determine if the prices are similar to the prices of properties used. • We also tested the data and information used by the appraisers including the market rental rates and assessed the appropriateness of the capitalisation rate used. <p>The evidence we obtained from performing our procedures indicated that management's estimates and assumptions were reasonable.</p>

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement and Report of Corporate Governance included in pages 11 to 23 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

INDEPENDENT AUDITOR'S REPORT

To the members of IPC Corporation Ltd
(continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

*To the members of IPC Corporation Ltd
(continued)*

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Trillion So.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 26 January 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2017

	Note	2017 \$'000	2016 \$'000
Sales	4	4,070	3,920
Cost of sales		(3,264)	(2,646)
Gross profit/(loss)		806	1,274
Other income	7	634	900
Other gains/(losses), net	8	(861)	(9,444)
Expenses			
- Distribution and marketing		(321)	(351)
- Administrative		(4,357)	(4,785)
- Finance		(669)	(744)
- Other		-	(6)
		(5,347)	(5,886)
Profit/(loss) before income tax		(4,768)	(13,156)
Income tax credit/(expense)	9	-	1,616
Total profit/(loss)		(4,768)	(11,540)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Financial assets, available-for-sale			
- Fair value gains/(losses)		2	(77)
- Disposal		18	(400)
Currency translation differences arising from consolidation			
- Gains/(losses)		(1,950)	6,777
Other comprehensive income/(loss), net of tax		(1,930)	6,300
Total comprehensive income/(loss)		(6,698)	(5,240)
Earnings/(losses) per share for profit/(loss) attributable to equityholders of the Company (cents per share)			
- Basic	10	(5.59)	(13.53)
- Diluted	10	(5.59)	(13.53)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2017

	Note	Group		Company	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	11	7,334	10,619	3,735	5,598
Trade and other receivables	12	831	566	2,218	190
Tax recoverable		627	643	–	–
Properties developed for sale	13	19,535	20,080	–	–
Properties held for sale	14	3,145	3,225	–	–
Other assets		40	40	–	–
Non-current asset held for sale	15	–	–	–	–
		31,512	35,173	5,953	5,788
Non-current assets					
Financial assets, available-for-sale	16	3,890	5,524	1,024	2,586
Other receivables	17	–	–	57,203	60,563
Prepayment		7	2	–	–
Investments in associated companies	18	–	–	–	–
Investments in subsidiaries	19	–	–	36,155	36,155
Prepaid leasehold properties	20	20,913	22,202	–	–
Land held for development	21	6,422	6,422	6,422	6,422
Property, plant and equipment	22	30,737	32,897	1,146	1,303
Other assets		1	90	–	–
		61,970	67,137	101,950	107,029
Total assets		93,482	102,310	107,903	112,817
LIABILITIES					
Current liabilities					
Trade and other payables	23	1,963	1,988	151	150
Current income tax liabilities		327	335	–	–
Borrowings	24	3,255	7,511	–	–
		5,545	9,834	151	150
Non-current liabilities					
Borrowings	24	5,287	3,128	–	–
Deferred income tax liabilities	25	–	–	–	–
		5,287	3,128	–	–
Total liabilities		10,832	12,962	151	150
NET ASSETS		82,650	89,348	107,752	112,667
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	33,190	33,190	33,190	33,190
Currency translation reserve		(3,748)	(1,798)	–	–
Fair value reserve	27	50	30	50	30
Retained earnings	28	53,158	57,926	74,512	79,447
Total equity		82,650	89,348	107,752	112,667

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2017

Attributable to equity holders of the Company

Note	Share capital \$'000	Currency translation reserve \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total \$'000	Non-controlling interests \$'000	Total Equity \$'000
2017							
Beginning of financial year	33,190	(1,798)	30	57,926	89,348	–	89,348
Profit/(loss) for the year	–	–	–	(4,768)	(4,768)	–	(4,768)
Other comprehensive income/ (loss) for the year	–	(1,950)	20	–	(1,930)	–	(1,930)
Total comprehensive income/ (loss) for the year	–	(1,950)	20	(4,768)	(6,698)	–	(6,698)
End of financial year	33,190	(3,748)	50	53,158	82,650	–	82,650
2016							
Beginning of financial year	169,658	(13,137)	507	74,028	231,056	4,698	235,754
Profit/(loss) for the year	–	–	–	(11,540)	(11,540)	–	(11,540)
Other comprehensive income/ (loss) for the year	–	11,339	(477)	(4,562)	6,300	–	6,300
Total comprehensive income/ (loss) for the year	–	11,339	(477)	(16,102)	(5,240)	–	(5,240)
Capital reduction	26	(136,468)	–	–	(136,468)	–	(136,468)
Deconsolidation of subsidiaries	–	–	–	–	–	(4,698)	(4,698)
End of financial year	33,190	(1,798)	30	57,926	89,348	–	89,348

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2017

	Note	2017 \$'000	2016 \$'000
Cash flows from operating activities			
Total profit/(loss)		(4,768)	(11,540)
Adjustments for			
- Income tax expense/(credit)		-	(1,616)
- Remeasurement of amortisation of prepaid leasehold properties	20	-	417
- Amortisation of prepaid leasehold properties	20	475	284
- Remeasurement of depreciation of property, plant and equipment	22	-	858
- Depreciation of property, plant and equipment	22	1,421	1,049
- Unrealised currency translation losses /(gains)		778	3,824
- Gain on disposal of financial assets, available-for-sale		(91)	(316)
- Loss on disposal of other assets		20	-
- Impairment loss of other assets		-	20
- Interest income		(166)	(403)
- Interest expense		669	744
		(1,662)	(6,679)
Change in working capital			
- Other asset		(21)	14
- Properties		-	(34)
- Trade and other receivables		(257)	1,306
- Trade and other payables		(25)	(16,278)
Cash generated from/(used in) operations		(1,965)	(21,671)
Interest received		153	389
Income tax paid, net		-	(2,212)
Net cash provided by/(used in) operating activities		(1,812)	(23,494)
Cash flows from investing activities			
Purchases of property, plant and equipment		(49)	(96)
Proceeds from disposal of other assets		90	-
Proceeds from disposal of financial assets, available-for-sale		1,389	7,343
Deconsolidation of subsidiaries, net of cash deconsolidated	11	-	(1,916)
Net cash provided by/(used in) investing activities		1,430	5,331
Cash flows from financing activities			
Capital reduction		-	(136,468)
Bank deposit (pledged)		-	6,000
Interest paid		(669)	(1,577)
Proceeds from borrowings		5,492	7,718
Repayment of borrowings		(7,322)	(11,512)
Net cash provided by/(used in) financing activities		(2,499)	(135,839)
Net increase/(decrease) in cash and cash equivalents		(2,881)	(154,002)
Cash and cash equivalents at beginning of financial year	11	10,619	162,392
Effects of currency translation on cash and cash equivalents		(404)	2,229
Cash and cash equivalents at end of financial year	11	7,334	10,619

Reconciliation of liabilities arising from financing activities

	1 January 2017 \$'000	Net principal and interest payments \$'000	Non-cash changes \$'000		31 December 2017 \$'000
			Interest expense	Foreign exchange movement	
Bank borrowings	10,639	(2,499)	669	(267)	8,542

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

IPC Corporation Ltd (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 23 Tai Seng Drive, #06-00, Singapore 535224.

The principal activities of the Company are investment holding, property investment and property development.

The principal activities of its subsidiary companies are investment holding, property investment and property development, investing and reselling properties, property consulting, hospitality services and sale and distribution of telecommunication products.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS 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, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2017

On 1 January 2017, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Group and the Company and had no material effect on the amounts reported for the current or prior financial years except for the following:

FRS 7 Statement of cash flows

The amendments to FRS 7 Statement of cash flows (Disclosure initiative) sets out required disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The Group has included the additional required disclosures in Consolidated Statement of Cash Flows to the Financial Statement.

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. Significant accounting policies (continued)

2.2 Revenue recognition (continued)

- (a) *Sale of goods*
Revenue from sale of goods is recognised when the goods are delivered to the customers and it is probable that the goods will not be returned.
- (b) *Sale of developed properties*
Revenue from sale of developed properties is recognised when the properties are transferred to the buyers.
- (c) *Rendering of services*
Revenue from rendering of services is recognised when the services are rendered.
- (d) *Hotel-related revenue*
Revenue from the rental of hotel rooms and other facilities is recognised when the services are rendered. Revenue from the sale of food and beverage is recognised when the goods are delivered to the customer.
- (e) *Interest income*
Interest income is recognised using the effective interest method.
- (f) *Dividend income*
Dividend income is recognised when the right to receive payment is established.
- (g) *Rental income*
Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.
- (h) *Membership fee*
Membership fee is recognised on a straight-line basis over the membership term.

2.3 Group accounting

(a) Subsidiaries

(i) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provided evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (b) the fair value of the identifiable net assets acquired is recorded as goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(c) Associated companies (continued)

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements are adjusted against the carrying amount of the investment.

Dividends received or receivable from the associated companies are recognised as reduction of the carrying amount of the investment.

When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of these profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Investments in associated companies are derecognised when the Group loses significant influence. If the retained interest in the former associated company is a financial asset, the retained interest is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value and any proceeds on partial disposal is recognised in profit or loss.

The accounting policy on investments in subsidiaries and associated companies in the separate financial statements of the Company is as included in Note 2.10.

2.4 Property, plant and equipment

(a) Measurement

(i) Buildings

Buildings are initially recognised at cost. Buildings are subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Other property, plant and equipment

All other property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(a) Measurement (continued)

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (Note 2.8).

(b) Depreciation

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<i>Useful lives</i>
Leasehold buildings	34 - 62 years
Leasehold improvements	5 - 20 years
Furniture, fixtures and fittings	1 - 20 years
Office equipment	3 - 5 years
Motor vehicles	10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains and losses".

2.5 Land held for development

Land held for development includes the costs for obtaining the right to occupy and use land, certain fees for altering the intended use of land and resettlement costs, and are carried at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2.6 Properties developed for sale

Properties developed for sale are carried at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. Significant accounting policies (continued)

2.7 Properties held for sale

Properties held for sale are carried at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2.8 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under constructions.

2.9 Prepaid leasehold properties

Prepaid leasehold properties are properties under operating leases where substantially all risks and rewards incidental to ownership are retained by the lessor. They are carried initially at cost and subsequently amortised on a straight-line basis over the lease periods.

2.10 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.11 Impairment of non-financial assets

Property, plant and equipment

Prepaid leasehold properties

Investments in subsidiaries and associated companies

Property, plant and equipment, prepaid leasehold properties and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. Significant accounting policies (continued)

2.12 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the end of reporting period which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the statements of financial position, except for loans to certain subsidiaries included within non-current other receivables, which in substance form part of the Company's net investment in a subsidiary ("quasi-equity loans"), and have been accounted for in accordance with Note 2.10.

(ii) Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the end of reporting period.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

For financial assets, available-for-sale that are subsequently carried at fair value, changes in the fair values are recognised in other comprehensive income and accumulated in the fair value reserve.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Unquoted equity investments which have no market prices and whose fair value cannot be reliably measured are carried at cost less accumulated impairment losses in the Group's statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. Significant accounting policies (continued)

2.12 Financial assets (continued)

(d) Subsequent measurement (continued)

Interest and dividend income on financial assets, available-for-sale are recognised separately in profit or loss. Changes in the fair values of available-for-sale debt investments (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences, if any, are recognised in profit or loss and the other changes are recognised in the fair value reserve. Changes in fair values of available-for-sale equity investments (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(e) Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Financial assets, available-for-sale

In addition to the objective evidence of impairment described in Note 2.12(e)(i), significant or prolonged decline in the fair value of an equity investment below its cost and the disappearance of an active trading market for the investment are objective evidence that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is recognised to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity investments are not reversed through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. Significant accounting policies (continued)

2.13 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.14 Non-current asset held for sale

Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

2.15 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting period in which they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.16 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.17 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the end of the reporting period. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Where appropriate quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analyses, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. Significant accounting policies (continued)

2.18 Operating lease

(a) *When the Group is the lessee:*

The Group leases office space, residential space and motor vehicles under operating leases from non-related parties.

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

(b) *When the Group is the lessor:*

The Group leases commercial properties under operating leases to non-related parties.

Leases of commercial properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2.19 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probably that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities, except for investment properties. Investment properties measured at fair value is presumed to be recovered entirely through sale.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. Significant accounting policies (continued)

2.19 Income taxes (continued)

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.21 Employee compensation

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to end of the reporting period.

2.22 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss, unless they arise from borrowings in foreign currencies and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

2. Significant accounting policies (continued)

2.22 Currency translation (continued)

(b) Transactions and balances (continued)

All foreign exchange gains and losses impacting profit or loss are presented in the consolidated statement of comprehensive income within "other gains/(losses), net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM") whose members are responsible for allocating resources and assessing performance of the operating segments.

2.24 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.25 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.26 Dividends to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Assessment of carrying amount of properties developed for sale, properties held for sale and land held for development*

Properties developed for sale, properties held for sale and land held for development amounting to \$19.535 million (2016: \$20.080 million), \$3.145 million (2016: \$3.225 million) and \$6.422 million (2016: \$6.422 million) respectively were subject to net realisable value tests as at 31 December 2017. The net realisable values of these assets have been determined based on valuation performed by external appraisers engaged by the Group. Based on valuations, the management concluded that no write-down was required as at 31 December 2017.

On 18 January 2018, the Group has entered into a framework agreement with a third party to dispose of its land held for development for a total proceeds which is above the carrying amount of the asset as at 31 December 2017. Subject to certain completion conditions, and if such conditions are met, the disposal will be completed by 30 March 2018.

Further details are disclosed in Note 13, Note 14 and Note 21 to the financial statements.

(b) *Assessment of carrying amount of prepaid leasehold properties and property, plant and equipment*

Prepaid leasehold properties and property, plant and equipment located in Zhuhai, China amounting to \$20.913 million (2016: \$22.202 million) and \$29.527 million (2016: \$31.503 million) respectively were subjected to assessment of impairment indicators as at 31 December 2017. The hotel management business in Zhuhai, China has shown an increase in the profit before tax in the current financial year. As an additional assessment, the Group has engaged external appraisers to perform a valuation on the assets. Based on valuations, the management concluded that no impairment loss was required as at 31 December 2017.

Further details are disclosed in Note 20 and Note 22 to the financial statements.

4. Revenue

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
Sale of properties developed for sale	-	43
Hotel-related revenue	4,070	3,877
Total sales	<u>4,070</u>	<u>3,920</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

5. Expenses by nature

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
Amortisation of prepaid leasehold properties (Note 20)	475	284
Changes in properties	-	27
Depreciation of property, plant and equipment (Note 22)	1,421	1,049
Employee compensation (Note 6)	3,271	3,249
Hotel and catering supplies	758	650
Insurance	101	115
Interest expense	669	744
Maintenance	222	209
Professional fees	297	320
Property and miscellaneous taxes	126	173
Rental expense on operating lease	255	301
Transportation	159	227

6. Employee compensation

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
Wages and salaries	3,048	3,114
Employer's contribution to defined contribution plans including Central Provident Fund	223	135
	3,271	3,249

7. Other income

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
Interest income	166	403
Rental income (on operating leases)	411	378
Other	57	119
	634	900

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

8. Other gains/(losses), net

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
Gain on disposal of financial assets, available-for-sale	91	316
Impairment loss on other assets	-	(20)
Currency translation gains/(losses) - net	(932)	(8,465)
Remeasurement of amortisation of prepaid leasehold properties (Note 20)	-	(417)
Remeasurement of depreciation of property, plant and equipment (Note 22)	-	(858)
Loss on disposal of other assets	(20)	-
	(861)	(9,444)

9. Income taxes

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
Tax expense/(credit) attributable to profit is made up of:		
Profit/(loss) from current financial year:		
Foreign taxes		
- Current income tax	-	11
Under/(over) provision in prior financial years:		
- Deferred income tax (Note 25)	-	(1,627)
	-	(1,616)

The tax on Group's results before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
Profit/(loss) before tax	(4,768)	(13,156)
Tax calculated at tax rate of 17% (2016: 17%)	(811)	(2,237)
Effects of		
- different tax rates in other countries	(97)	(212)
- utilisation of previously unrecognised tax losses	(67)	(792)
- expenses not deductible for tax purposes	1,050	2,633
- income not subject to tax	-	(84)
- deferred tax assets not recognised	455	572
- under/(over) provision of deferred tax liabilities in previous year	-	(1,627)
- difference in accounting treatment in other countries	(530)	131
Tax expense/(credit)	-	(1,616)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

9. Income taxes (continued)

The Group has tax losses of approximately \$92.5 million (2016: \$91.2 million) which includes development and expansion tax losses of \$8.4 million (2016: \$8.4 million) and unutilised tax losses of \$84.1 million (2016: \$82.8 million) that are available for offset against future taxable profits of the companies in which the losses arose for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. Tax losses incurred by subsidiaries of \$8.8 million (2016: \$7.2 million) can be carried forward for a period of up to five years subsequent to the year of the loss, while the remaining tax losses have no expiry date.

The Group is subjected to income taxes and other types of taxes in different jurisdictions. In determining the tax liabilities, management is required to estimate the deductibility of certain expenses and the taxability of income ("uncertain tax positions") in each jurisdiction.

Certain judgement is required in determining uncertain tax position during the estimation of the provision for income taxes. There are still a number of years of assessment of certain companies in the Group and certain transactions and calculations for which the ultimate taxes determination is uncertain during the ordinary course of business. The Group recognises the income tax liabilities based on estimates of whether the additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provision in the period in which such determination is made.

10. Earnings/(losses) per share

Basic earnings/(losses) per share is calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	<i>Total</i>	
	2017	2016
Profit/(loss) attributable to equity holders of the Company (\$'000)	(4,768)	(11,540)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	85,292	85,292
Basic earnings/(losses) per share (cents per share)	<u>(5.59)</u>	<u>(13.53)</u>

The basic earnings/(losses) per share are the same as the diluted earnings/(losses) per share as there are no dilutive potential ordinary shares.

11. Cash and cash equivalents

	<i>Group</i>		<i>Company</i>	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	1,505	2,774	674	663
Short-term bank deposits	5,829	7,845	3,061	4,935
	<u>7,334</u>	<u>10,619</u>	<u>3,735</u>	<u>5,598</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

11. Cash and cash equivalents (continued)

Deconsolidation of subsidiaries

On 29 February 2016, the Company had deconsolidated Palladio Hospitality LLC, Palladio Hospitality One LLC and Palladio Hospitality Two LLC after the full redemption of capital. The effect of the deconsolidation of subsidiaries on the cash flows of the Group were:

	<u>Group</u>
	2016
	\$'000
<i>Carrying amounts of assets and liabilities</i>	
Cash and cash equivalents	4,081
Other receivables	8,196
Total assets	<u>12,277</u>
Other payables	<u>9,976</u>
Total liabilities	<u>9,976</u>
Net assets derecognised	2,301
Less: Non-controlling interests	<u>(4,698)</u>
Net liabilities disposed of	<u><u>(2,397)</u></u>

The aggregate cash outflows arising from the deconsolidation of subsidiaries were:

	<u>Group</u>
	2016
	\$'000
Net liabilities disposed of	(2,397)
- Reclassification of currency translation reserve	4,562
Cash proceeds	2,165
Less: cash and cash equivalents in subsidiaries	<u>(4,081)</u>
Net cash outflow on deconsolidation of subsidiaries	<u><u>(1,916)</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

12. Trade and other receivables - current

	<u>Group</u>		<u>Company</u>	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	236	217	35	68
Loan to non-related party	150	-	150	-
Deposits	172	172	122	122
Prepayments	273	177	-	-
Loan to a subsidiary	-	-	1,911	-
	831	566	2,218	190

The loan to a subsidiary is unsecured with interest bearing of 5% per annum and matures on 31 October 2018 which was reclassified from non-current receivables in Note 17.

The loan to non-related party is unsecured with interest bearing at 6% per annum and matures on 25 June 2018.

13. Properties developed for sale

	<u>Group</u>	
	2017	2016
	\$'000	\$'000
Land cost	8,054	8,305
Development expenditure	11,481	11,775
	19,535	20,080

As at 31 December 2017, the Group's properties developed for sale are held by IPC Property Development (Zhuhai) Ltd, a wholly-owned subsidiary of the Company which is incorporated in the People's Republic of China.

The details of the Group's properties developed for sale are as follows:

Name of property	Location	Type of development	Site area sq.m.	Gross floor area held-for-sale sq.m.	Attributable interest
Xu Ri Wan Hua Yuan Kindergarten	Tang Jia Tang Qi Lu, Zhuhai, China	Commercial	1,038	2,727	100%
Xu Ri Wan Hua Yuan	1-3 Zu Tuan, Zhuhai, China	Residential car park	2,633	2,633	100%
Xu Ri Wan Hua Yuan	4-5 Zu Tuan, Zhuhai, China	Residential car park	2,144	2,144	100%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

14. Properties held for sale

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
Properties held for sale	<u>3,145</u>	<u>3,225</u>

The details of the Group's properties held for sale are as follows:

Name of property	Location	Type of development	Site area sq.m.	Gross floor area held-for-sale sq.m.	Attributable interest
Yi Neng Guo Ji Guang Chang	Foshan Shi, Nan Hai Qu Gui Cheng, China	Commercial	1,218	1,218	100%

15. Non-current asset held for sale

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
Beginning of the financial year	-	47,080
Currency translation differences	-	(2,611)
Additions	-	61
Less: Transferred to prepaid leasehold properties (Note 20)	-	(18,918)
Less: Transferred to property, plant and equipment (Note 22)	-	(25,612)
End of the financial year	<u>-</u>	<u>-</u>

Management had reclassified \$47,080,000 of properties developed for sale to non-current asset held for sale on 1 July 2015. As the sale was not completed within 12 months, the asset has ceased to be a non-current asset held for sale and has been reclassified to prepaid leasehold properties and property, plant and equipment on 1 July 2016. As at 31 December 2016, depreciation and amortisation from 1 July 2015 to 31 December 2016 had been recognised.

16. Financial assets, available-for-sale

	<i>Group</i>		<i>Company</i>	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	5,524	12,904	2,586	10,039
Currency translation differences	(147)	124	(75)	51
Fair value gain/(loss) recognised in other comprehensive income (Note 27)	2	(77)	2	(77)
Disposals	(1,489)	(7,427)	(1,489)	(7,427)
End of financial year	<u>3,890</u>	<u>5,524</u>	<u>1,024</u>	<u>2,586</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

16. Financial assets, available-for-sale (continued)

Financial assets, available-for-sale are analysed as follows:

	<u>Group</u>		<u>Company</u>	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Quoted investments				
- equity investments - Asia Pacific	45	45	-	-
- bond funds - Europe	922	2,484	922	2,484
Unquoted investments				
- equity investments - United States	2,821	2,893	-	-
- equity investments - Asia Pacific	102	102	102	102
	3,890	5,524	1,024	2,586

The Group holds unquoted equity investments that are not traded in an active market as at 31 December 2017 amounting to \$2.923 million (2016: \$2.995 million).

There is no active market for the unquoted equity investments and management is of the view that the fair value of these investments cannot be estimated within a reasonable range and the probabilities of the various estimates cannot be reasonably assessed. Accordingly management believes the fair value of the unquoted equity investments cannot be reliably measured and hence, it is carried at cost. The Group does not intend to dispose of these investments in the foreseeable future.

17. Other receivables - non-current

The loans to subsidiaries amounting to \$57,143,000 (2016: \$58,572,000) are treated as a long-term source of additional capital and financing within the Group. Accordingly, they are managed centrally and deemed to be quasi-equity loans representing the Company's net investments in the subsidiaries.

The carrying amount of the remaining loan to subsidiaries amounting to \$60,000 (2016: \$1,991,000) approximates to its fair value.

	<u>Company</u>	
	2017	2016
	\$'000	\$'000
Other receivables		
- Loans to subsidiaries	57,203	60,563

The loans to subsidiaries are unsecured, interest free and are not expected to be repaid in the next twelve months except for a loan to a subsidiary amounting to \$1,865,000 as at 31 December 2016 with interest bearing at 5% per annum, which has been reclassified to current trade and other receivables (Note 12) during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

18. Investments in associated companies

	<u>Group</u>	
	2017	2016
	\$'000	\$'000
Beginning and end of financial year	-	-
	<u>Company</u>	
	2017	2016
	\$'000	\$'000
<i>Equity investment at cost</i>		
Beginning and end of financial year	500	500
<i>Accumulated impairment losses</i>		
Beginning and end of financial year	500	500
Net carrying amount	-	-
The summarised financial information of associated companies are as follows:		
- Liabilities	12,453	12,452
- Net profit/(loss)	(1)	(1)

During the financial year, the Group has not recognised its share of loss of associated companies amounting to \$535 (2016: \$535) because the Group's cumulative share of losses exceeds its interests in those entities and the Group has no obligation in respect of those losses. The cumulative unrecognised losses amount to \$6,726,357 (2016: \$6,725,822) at the end of the reporting period.

Details of significant associated companies are provided in Note 37.

19. Investments in subsidiaries

	<u>Company</u>	
	2017	2016
	\$'000	\$'000
Beginning of financial year	36,155	82,784
Return of capital	-	(46,629)
End of financial year	36,155	36,155

Details of all subsidiaries are listed in Note 37.

During the financial year 2016, the Company had deconsolidated Palladio Hospitality LLC, Palladio Hospitality One LLC and Palladio Hospitality Two LLC after the full redemption of capital amounting to \$46,629,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

20. Prepaid leasehold properties

	<u>Group</u>	
	2017	2016
	\$'000	\$'000
Beginning of financial year	22,202	4,274
Transferred from non-current asset held for sale (Note 15)	-	18,918
Currency translation differences	(814)	(289)
Remeasurement of amortisation of prepaid leasehold properties (Note 8)	-	(417)
Amortisation recognised in profit or loss (Note 5)	(475)	(284)
End of financial year	<u>20,913</u>	<u>22,202</u>

Bank borrowings are secured on prepaid leasehold properties of the Group with carrying amounts of \$20,913,000 (2016: \$22,202,000) (Note 24).

21. Land held for development

	<u>Group and Company</u>	
	2017	2016
	\$'000	\$'000
Beginning and end of financial year	<u>6,422</u>	<u>6,422</u>

Details of the Group's and the Company's land held for development are as follows:

Name of property	Location	Type of development	Stage of completion	Site area sq.m.	Gross floor area held-for-development sq.m.	Attributable interest
Ju Ren Da Sha	Xiang Zhou Yin Hua Lu, Zhuhai, China	Office	Not Commenced	29,045	NA	24%

On 18 January 2018, the Group has entered into a framework agreement with a third party to dispose of its land held for development for a total proceeds above the carrying amount of the asset as at 31 December 2017. Subject to certain completion conditions, and if such conditions are met, the disposal will be completed by 30 March 2018.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

22. Property, plant and equipment

	Leasehold building and improvements \$'000	Furniture, fixtures and fittings \$'000	Motor vehicles \$'000	Office equipment \$'000	Total \$'000
Group					
2017					
<i>Cost</i>					
Beginning of financial year	33,671	1,368	1,840	929	37,808
Currency translation differences	(839)	(26)	(7)	(20)	(892)
Additions	-	43	-	6	49
End of financial year	32,832	1,385	1,833	915	36,965
<i>Accumulated depreciation</i>					
Beginning of financial year	2,940	919	446	606	4,911
Currency translation differences	(73)	(14)	(5)	(12)	(104)
Depreciation charge (Note 5)	1,068	78	182	93	1,421
End of financial year	3,935	983	623	687	6,228
Net book value					
End of financial year	28,897	402	1,210	228	30,737
2016					
<i>Cost</i>					
Beginning of financial year	9,186	944	1,854	609	12,593
Currency translation differences	(428)	(28)	(14)	(23)	(493)
Transferred from non-current asset held for sale (Note 15)	24,851	435	-	326	25,612
Additions	62	17	-	17	96
End of financial year	33,671	1,368	1,840	929	37,808
<i>Accumulated depreciation</i>					
Beginning of financial year	1,541	814	272	496	3,123
Currency translation differences	(72)	(22)	(8)	(17)	(119)
Depreciation charge (Note 5)	721	84	182	62	1,049
Remeasurement of depreciation of property, plant and equipment (Note 8)	750	43	-	65	858
End of financial year	2,940	919	446	606	4,911
Net book value					
End of financial year	30,731	449	1,394	323	32,897

Bank borrowings are secured on leasehold buildings of the Group with carrying amount of \$28,897,000 (2016: \$30,731,000) (Note 24).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

22. Property, plant and equipment (continued)

	Furniture, fixtures and fittings \$'000	Motor vehicles \$'000	Office equipment \$'000	Total \$'000
Company				
2017				
<i>Cost</i>				
Beginning and end of financial year	343	1,564	123	2,030
<i>Accumulated depreciation</i>				
Beginning of financial year	343	261	123	727
Depreciation charge	-	157	-	157
End of financial year	343	418	123	884
<i>Net book value</i>				
End of financial year	-	1,146	-	1,146
2016				
<i>Cost</i>				
Beginning and end of financial year	343	1,564	123	2,030
<i>Accumulated depreciation</i>				
Beginning of financial year	343	105	123	571
Depreciation charge	-	156	-	156
End of financial year	343	261	123	727
<i>Net book value</i>				
End of financial year	-	1,303	-	1,303

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

23. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Trade payables to				
- Non-related parties	164	174	-	-
- Associated companies	663	663	-	-
- Subsidiaries	-	-	24	24
	827	837	24	24
Deposits received	223	237	-	-
Accrued operating expenses	913	914	127	126
	1,963	1,988	151	150

24. Borrowings

	<u>Group</u>	
	2017	2016
	\$'000	\$'000
Current		
- Bank borrowings (secured)	3,255	7,511
Non-current		
- Bank borrowings (secured)	5,287	3,128
Total borrowings	8,542	10,639

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the end of the reporting date are as follows:

	<u>Group</u>	
	2017	2016
	\$'000	\$'000
Less than 1 year	3,255	7,511
1 - 5 years	5,287	3,128

(a) Security granted

Borrowings of \$8,542,000 (2016: \$10,639,000) are secured by pledge of prepaid leasehold properties (Note 20) and leasehold buildings (Note 22) in Zhuhai, China.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

24. Borrowings (continued)

(b) Fair value of non-current borrowings

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
Bank borrowings	5,281	3,126

The fair value above is within Level 2 of the fair value hierarchy and is determined from the cash flow analysis, discounted at market borrowing rates of an equivalent instrument at end of reporting period which the directors expect to be available to the Group as follows:

	<i>Group</i>	
	2017	2016
Bank borrowings	7.11%	7.11%

25. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The movement in deferred income tax liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Deferred income tax liabilities

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
<i>Withholding tax on unremitted earnings</i>		
Beginning of financial year	-	2,877
Utilised during the year	-	(1,250)
Charged/(credited) to profit or loss (Note 9)	-	(1,627)
End of financial year	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

26. Share capital

<u>Company</u>	<u>No. of ordinary shares</u>	<u>Amount</u>
	Issued share capital '000	Share capital \$'000
2017		
Beginning and end of financial year	85,292	33,190
2016		
Beginning of financial year	85,292	169,658
Capital reduction	-	(136,468)
End of financial year	85,292	33,190

All issued shares are fully paid.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

The Company had made a distribution of S\$1.60 per share to shareholders through a capital reduction exercise on 8 April 2016.

27. Fair value reserve

	<u>Group</u>		<u>Company</u>	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Beginning of financial year	30	507	30	507
Fair value gains on financial assets, available-for-sale (Note 16)	2	(77)	2	(77)
Disposal	18	(400)	18	(400)
End of financial year	50	30	50	30

28. Retained earnings

All retained earnings of the Group and the Company are distributable.

29. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

29. Contingencies (continued)

Contingent liabilities - Group (continued)

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.

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
Guarantee given to banks for mortgage facilities granted to IPC Zhuhai's properties	<u>130</u>	<u>165</u>

30. Commitments

(a) *Operating lease commitments - where the Group is a lessee*

The Group and Company leases office space, hostels units and motor vehicles from non-related parties under non-cancellable operating lease agreements. These leases have varying terms and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, are as follows:

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
Not later than one year	237	258
Between one and five years	40	279
	<u>277</u>	<u>537</u>

(b) *Operating lease commitments - where the Group is a lessor*

The Group leased out kindergarten and shophouses to non-related parties under non-cancellable operating leases. The lessees are required to pay a fixed monthly amount over the lease period.

The future minimum lease receivables under non-cancellable operating leases contracted for at the end of reporting period but not recognised as receivables, are as follows:

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
Not later than one year	389	340
Between one and five years	1,141	1,102
Later than five years	527	392
	<u>2,057</u>	<u>1,834</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

31. Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits are established in accordance with the objectives and underlying principles approved by the Board of Directors.

The finance personnel measure the exposures against the limits set and prepare regular reports for the review of the management team and the Board of Directors. The information presented below is based on information received by key management.

(a) *Market risk*

(i) *Currency risk*

The Group operates mainly in Asia, with dominant operations in Singapore and the People's Republic of China. Entities in the Group regularly transact in the currencies other than their respective functional currencies ("foreign currencies") such as the Singapore Dollar ("SGD") and Chinese Yuan or Renminbi ("RMB").

Currency risk arises when transactions are denominated in foreign currencies.

The Group does not enter into any arrangements or contracts to manage its foreign currency risk arising from cash flows from anticipated transactions and financial arrangements denominated in foreign currencies, primarily the RMB, Hong Kong Dollar ("HKD") and United States Dollar ("USD"). Consequently, transactions are subjected to the fluctuation of foreign currencies.

In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operations in the People's Republic of China are managed primarily by borrowings and operating cash flows denominated in RMB and HKD, which mitigate currency exposure arising from the subsidiaries' net assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

31. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	<u>SGD</u>	<u>USD</u>	<u>RMB</u>	<u>HKD</u>	<u>Others</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 December 2017						
Financial assets						
Cash and cash equivalents and financial assets, available-for-sale	982	5,933	763	498	80	8,256
Trade and other receivables	344	12	202	-	-	558
	<u>1,326</u>	<u>5,945</u>	<u>965</u>	<u>498</u>	<u>80</u>	<u>8,814</u>
Financial liabilities						
Borrowings	-	-	8,542	-	-	8,542
Trade and other payables	822	-	1,022	119	-	1,963
	<u>822</u>	<u>-</u>	<u>9,564</u>	<u>119</u>	<u>-</u>	<u>10,505</u>
Net financial assets/(liabilities)	<u>504</u>	<u>5,945</u>	<u>(8,599)</u>	<u>379</u>	<u>80</u>	<u>(1,691)</u>
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	(504)	-	8,599	117	-	8,212
Currency exposure	<u>-</u>	<u>5,945</u>	<u>-</u>	<u>496</u>	<u>80</u>	<u>6,521</u>
At 31 December 2016						
Financial assets						
Cash and cash equivalents and financial assets, available-for-sale	924	9,521	2,041	547	70	13,103
Trade and other receivables	191	14	184	-	-	389
	<u>1,115</u>	<u>9,535</u>	<u>2,225</u>	<u>547</u>	<u>70</u>	<u>13,492</u>
Financial liabilities						
Borrowings	-	-	10,639	-	-	10,639
Trade and other payables	820	-	1,038	130	-	1,988
	<u>820</u>	<u>-</u>	<u>11,677</u>	<u>130</u>	<u>-</u>	<u>12,627</u>
Net financial assets/(liabilities)	<u>295</u>	<u>9,535</u>	<u>(9,452)</u>	<u>417</u>	<u>70</u>	<u>865</u>
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	(295)	-	9,452	128	-	9,285
Currency exposure	<u>-</u>	<u>9,535</u>	<u>-</u>	<u>545</u>	<u>70</u>	<u>10,150</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

31. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	SGD	USD	RMB	HKD	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 31 December 2017						
Financial assets						
Cash and cash equivalents and financial assets, available-for-sale	152	3,929	-	496	80	4,657
Trade and other receivables	388	12	57,143	1,878	-	59,421
	<u>540</u>	<u>3,941</u>	<u>57,143</u>	<u>2,374</u>	<u>80</u>	<u>64,078</u>
Financial liabilities						
Trade and other payables	151	-	-	-	-	151
	<u>151</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151</u>
Net financial assets/(liabilities)	389	3,941	57,143	2,374	80	63,927
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	(389)	-	-	-	-	(389)
Currency exposure	-	3,941	57,143	2,374	80	63,538
At 31 December 2016						
Financial assets						
Cash and cash equivalents and financial assets, available-for-sale	98	7,369	-	545	70	8,082
Trade and other receivables	206	14	58,572	1,961	-	60,753
	<u>304</u>	<u>7,383</u>	<u>58,572</u>	<u>2,506</u>	<u>70</u>	<u>68,835</u>
Financial liabilities						
Trade and other payables	150	-	-	-	-	150
	<u>150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150</u>
Net financial assets/(liabilities)	154	7,383	58,572	2,506	70	68,685
Net financial liabilities/(assets) denominated in the respective entities' functional currencies	(154)	-	-	-	-	(154)
Currency exposure	-	7,383	58,572	2,506	70	68,531

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

31. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD, RMB and HKD strengthen against the SGD by 1% (2016: 1%), 2% (2016: 5%), and 1% (2016: 1%) respectively with all other variables being held constant, the effects arising from the net financial assets/ (liabilities) position will be as follows:

	2017		2016	
	<u>Increase/(decrease)</u>			
	Loss before tax	Other comprehensive loss	Loss before tax	Other comprehensive income
	\$'000	\$'000	\$'000	\$'000
<u>Group</u>				
USD against SGD	(59)	-	(95)	-
RMB against SGD	-	172	-	(473)
HKD against SGD	(5)	1	(5)	(1)
<u>Company</u>				
USD against SGD	(39)	-	(74)	-
RMB against SGD	(1,143)	-	(2,929)	-
HKD against SGD	(24)	-	(25)	-

The weakening of USD, RMB and HKD against the SGD by 1% (2016: 1%), 2% (2016: 5%), and 1% (2016: 1%) respectively had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

(ii) Price risk

The Group is exposed to equity investments, bond funds and debt investments price risks arising from the investments held by the Group which are classified in the statement of financial position as financial assets, available-for-sale. These financial assets are either listed or non-listed. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity investments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Board of Directors.

The quoted equity investment listed in Asia Pacific is not analysed for price risk sensitivity, as the investment continues to be suspended during the financial year. If prices for listed bond funds increased by 1% (2016: 1%) with all other variables including tax rate being held constant, the effect on equity will be:

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

31. Financial risk management (continued)

(a) Market risk (continued)

(ii) Price risk (continued)

	Increase/(decrease)	
	2017 \$'000	2016 \$'000
<u>Group</u>		
Listed in Europe	9	25
<u>Company</u>		
Listed in Europe	9	25

A 1% (2016: 1%) weakening in listed bond funds would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant. This assumes that the decrease does not give rise to impairment.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to changes in interest rates is mainly attributable to its fixed deposits and certain borrowings.

The Group's fixed deposits and borrowings exposed to changes in interest rates on which effective hedges have not been entered into are denominated in SGD, USD and RMB. At 31 December 2017, if SGD, USD and RMB interest rate has increased/decreased by 0.5% (2016: 0.5%), 0.5% (2016: 0.5%) and 0.5% (2016: 0.5%) respectively with all other variables being held constant, loss before tax will be lower/higher by \$4,000 (2016: \$4,000), lower/higher by \$25,000 (2016: \$35,000) and higher/lower by \$43,000 (2016: \$53,000) respectively.

Financial assets, available-for-sale and other financial assets and liabilities do not have material interest rate risk.

(b) Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to customers. For banks and financial institutions, deposits are placed with regulated banks. For credit exposures to customers, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

Financial assets, available-for-sale of the Group mainly comprises of 2 counterparties (2016: 3) that represented 96% (2016: 97%) of financial assets, available-for-sale.

The Group and the Company do not have any significant concentration of debtors.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

31. Financial risk management (continued)

(b) Credit risk (continued)

The Group's and Company's major classes of financial assets are bank deposits and trade and other receivables. The credit risk for trade and other receivables based on the information provided to key management is as follows:

	<i>Group</i>		<i>Company</i>	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
<u>By geographical area</u>				
Singapore	357	208	307	190
People's Republic of China	201	181	-	-
	558	389	307	190
<u>By types of customers</u>				
Non-related parties				
- Corporations	550	381	307	190
- Individuals	8	8	-	-
	558	389	307	190

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks and financial institutions which are regulated by local monetary authorities. Trade and other receivables that are neither past due nor impaired are substantially companies or individuals with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade and other receivables.

The age analysis of trade and other receivables past due but not impaired is as follows:

	<i>Group</i>		<i>Company</i>	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Past due < 3 months	190	174	-	-
Past due 3 to 6 months	4	-	-	-
Past due over 6 months	1	9	-	-
	195	183	-	-

There are no trade and other receivables individually determined to be impaired.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

31. Financial risk management (continued)

(c) Liquidity risk

The Group and Company manages its liquidity risk by maintaining sufficient cash and cash equivalents deemed adequate by management to finance their normal operating commitments and to mitigate the effects of fluctuations in cash flows. The Group and Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. At the end of the reporting period, assets held by the Group and the Company for managing liquidity risk included cash and fixed deposits as disclosed in Note 11.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the end of reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
<u>Group</u>				
At 31 December 2017				
Trade and other payables	1,963	-	-	-
Borrowings	3,641	1,116	4,858	-
At 31 December 2016				
Trade and other payables	1,988	-	-	-
Borrowings	7,706	1,964	1,538	-
<u>Company</u>				
At 31 December 2017				
Trade and other payables	151	-	-	-
At 31 December 2016				
Trade and other payables	150	-	-	-

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. Management monitors capital based on shareholders' equity.

The Group is not subject to any externally imposed capital requirement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

31. Financial risk management (continued)

(e) Fair value measurements

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>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
<u>Group</u>				
2017				
Assets				
Available-for-sale financial assets				
- Equity investments	-	-	45	45
- Bond funds	922	-	-	922
Total assets	922	-	45	967
2016				
Assets				
Available-for-sale financial assets				
- Equity investments	-	-	45	45
- Bond funds	2,484	-	-	2,484
Total assets	2,484	-	45	2,529
<u>Company</u>				
2017				
Assets				
Available-for-sale financial assets				
- Bond funds	922	-	-	922
Total assets	922	-	-	922
2016				
Assets				
Available-for-sale financial assets				
- Bond funds	2,484	-	-	2,484
Total assets	2,484	-	-	2,484

The fair value of financial instruments traded in active markets (such as trading and available-for-sale investments) is determined based on quoted current bid prices at the end of the reporting period. These instruments are included in Level 1.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

31. Financial risk management (continued)

(e) Fair value measurements (continued)

The following table presents the changes in Level 3 instruments of the Group and Company:

	2017	2016
	Equity investment available-for-sale \$'000	Equity investment available-for-sale \$'000
<u>Group</u>		
Beginning of financial year	45	2,967
Transfer out of Level 3	-	(2,922)
End of financial year	<u>45</u>	<u>45</u>
<u>Company</u>		
Beginning of financial year	-	102
Transfer out of Level 3	-	(102)
End of financial year	<u>-</u>	<u>-</u>

As stated in Note 16, the fair value of the unquoted equity investments cannot be reliably measured. Accordingly, the unquoted equity investments are carried at cost in accordance to Note 2.12. As a result, as at 31 December 2016, the Group's and Company's unquoted equity investments had been transferred out of Level 3.

The quoted equity investment is classified as Level 3 as the trading of the quoted equity investment continue to be suspended during the financial year.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and in Note 16 to the financial statements, except for the following:

	<u>Group</u>		<u>Company</u>	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Loans and receivables	<u>7,892</u>	11,008	<u>6,013</u>	7,779
Financial liabilities at amortised cost	<u>10,505</u>	12,627	<u>151</u>	150

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

32. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) *Sales and purchases of goods and services*

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
Rental income received from a related party*	72	72
Administration fee received from a related party*	10	10

* *Related party refers to a company with common directors.*

(b) *Key management personnel compensation*

Key management personnel compensation is as follows:

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
Wages and salaries	1,642	1,642
Employer's contribution to defined contribution plans, including Central Provident Fund	39	47
	1,681	1,689

33. Segment information

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("CODM") that are used to make strategic decisions. The CODM comprises the Chief Executive Officer, the Managing Director and the Administration and Finance Director.

The CODM considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in three primary geographic areas namely People's Republic of China, Japan and Singapore. All the Japan entities had been deconsolidated during the financial year 2016. All the geographic areas are engaged primarily in the property related business, which includes properties and income producing assets.

Business under "Properties" relate to property development, investing and reselling of properties. Business under "Income producing assets" relate to Japan primarily to the investments in hospitality assets which had been deconsolidated during the financial year 2016. Business under "Hotel management" relate to rendering of hotel management services. Other services included within Singapore include investment holding and the sale and distribution of telecommunication products. The results of these operations are included in the "Other" column.

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For the financial year ended 31 December 2017

33. Segment information (continued)

The segment information provided to the CODM for the reportable segments is as follows:

	Income producing assets	Properties	Hotel management	Other	Total
	Japan	People's Republic of China	People's Republic of China	Singapore	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group					
2017					
Revenue and other income					
- external sales	-	-	4,070	-	4,070
- other income	-	343	23	268	634
	-	343	4,093	268	4,704
Cost of revenue and operating expenses	-	(554)	(3,163)	(2,998)	(6,715)
Depreciation and amortisation	-	(1,442)	(297)	(157)	(1,896)
Other gains/(losses), net	-	-	124	(985)	(861)
Profit/(loss) before income tax	-	(1,653)	757	(3,872)	(4,768)
Total assets	-	69,622	4,847	18,386	92,855
Total assets include:					
Additions to:					
- property, plant and equipment	-	1	48	-	49
2016					
Revenue and other income					
- external sales	-	43	3,877	-	3,920
- other income	2	306	24	568	900
	2	349	3,901	568	4,820
Cost of revenue and operating expenses	(138)	(619)	(3,213)	(3,229)	(7,199)
Depreciation and amortisation	-	(2,123)	(329)	(156)	(2,608)
Other gains/(losses), net	(6,668)	(1)	(122)	(1,378)	(8,169)
Profit/(loss) before income tax	(6,804)	(2,394)	237	(4,195)	(13,156)
Total assets	-	73,114	6,428	22,125	101,667
Total assets include:					
Additions to:					
- property, plant and equipment	-	63	33	-	96

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

33. Segment information (continued)

The CODM assesses the performance of the operating segments based on a measure of profit/(loss) before tax.

Reportable segments' assets are reconciled to total assets as follows:

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
Segment assets for reportable segments	92,855	101,667
Other segment assets		
Unallocated:		
- Tax recoverable	627	643
	93,482	102,310
	93,482	102,310

Revenue from major products and services

Revenue from external customers are derived mainly from the sale of properties, provision of property consulting services, hotel management and rental income from hospitality assets.

	<i>Group</i>	
	2017	2016
	\$'000	\$'000
Properties	-	43
Hotel management	4,070	3,877
	4,070	3,920
	4,070	3,920

Geographical information

The Group's business segments operate in two main geographic areas:

- Singapore - the Group is headquartered in Singapore and has operations in Singapore. The operations in this area are principally investment holding and sale and distribution of telecommunication products.
- People's Republic of China - the operations in this area are principally property investment, property development and hotel management.

	<i>Group</i>	
	<i>Sales</i>	
	2017	2016
	\$'000	\$'000
People's Republic of China	4,070	3,920
	4,070	3,920
	4,070	3,920

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

33. Segment information (continued)

Geographical information (continued)

	<i>Group</i>	
	<u>Non-current assets</u>	
	2017	2016
	\$'000	\$'000
Singapore	11,458	13,339
People's Republic of China	50,512	53,798
	61,970	67,137

34. New or revised accounting standards and interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2018 or later periods and which the Group has not early adopted.

(a) *FRS 109 Financial instruments (effective for annual periods beginning on or after 1 January 2018)*

FRS 109 replaces FRS 39 Financial instruments: Recognition and Measurement and its relevant interpretations.

FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income ("OCI") and fair value through Profit or Loss ("FVPL"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI ("FVOCI"). Gains and losses realised on the sale of financial assets at FVOCI are not transferred to profit or loss on sale but reclassified from the FVOCI reserve to retained earnings.

Under FRS 109, there were no changes to the classification and measurement requirements for financial liabilities except for the recognition of fair changes arising from changes in own credit risk. For liabilities designed at fair value through profit or loss, such changes are recognised in OCI.

FRS 109 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

There is also now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under FRS 115 Revenue from contracts with customers, lease receivables, loan commitments and certain financial guarantee contracts.

The new standard also introduces expanded disclosure requirements and changes in presentation.

The Group is required to adopt a new accounting framework from 1 January 2018 (Note 35). The new accounting framework has similar requirements of FRS 109 and the impact of adopting the equivalent FRS 109 is disclosed in Note 35.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

34. New or revised accounting standards and interpretations (continued)

- (b) *FRS 115 Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018)*

FRS 115 replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations.

Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group is required to adopt a new accounting framework from 1 January 2018 (Note 35). The new accounting framework has similar requirements of FRS 115 and the amendment is not expected to have any significant impact on the financial statements of the Group.

- (c) *INT FRS 122 Foreign Currency Transactions and Advance Considerations (effective for annual periods beginning on or after 1 January 2018)*

INT FRS 122 Foreign Currency Transactions and Advance Considerations considers how to determine the date of the transactions when applying the standard on foreign currency transactions, FRS 21 The Effect of Changes in Foreign Exchange Rates. The Interpretation applies where the Group either pays or receives consideration in advance for foreign currency-denominated contracts.

For single upfront payment/receipt, the Interpretation states that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of the related item, should be the date on which an entity initially recognises the non-monetary asset or liability arising from the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity should determine the date of the transaction for each payment or receipt.

The Interpretation is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group does not expect a material impact on the financial statement upon adoption of the Interpretation.

- (d) *FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019)*

FRS 116 will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

34. New or revised accounting standards and interpretations (continued)

(d) FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019) (continued)

The new standard also introduces expanded disclosure requirements and changes in presentation.

The Group is required to adopt a new accounting framework from 1 January 2018 (Note 35). The new accounting framework has similar requirements of FRS 116. The Group has yet to determine to what extent the commitments as at the reporting date will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

35. Adoption of SFRS (I)

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore Financial Reporting Standards (International)' ("SFRS(I)") hereinafter.

As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018 and will be issuing its first set of financial information prepared under SFRS(I) for the quarter ended 31 March 2018 in April 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I). The Group will also concurrently apply new major SFRS(I) 9 Financial Instruments and SFRS(I) 15 Revenue from Contracts with Customers. The estimated impact arising from the adoption of SFRS(I) on the Group's financial statements are set out as follows:

(a) Application of SFRS(I) 1

The Group is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial year ending 31 December 2018), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. The Group plans to elect relevant optional exemptions and the exemptions resulting in significant adjustments to the Group's financial statements prepared under SFRS are as follows:

The Group plans to elect to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 January 2017. As a result, currency translation reserve and retained earnings as at 1 January 2017 and 31 December 2017 would be increased/reduced by \$1,798,000 respectively.

(b) Adoption of SFRS(I) 9

The Group plans to elect to apply the short-term exemption under SFRS(I) 1 to adopt SFRS(I) 9 on 1 January 2018. Accordingly, requirements of SFRS 39 Financial Instruments: Recognition and Measurement will continue to apply to financial instruments up to the financial year ended 31 December 2017.

(i) Classification and measurement

The Group has assessed the business models that are applicable on 1 January 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) 9. Expected significant adjustments to the Group's balance sheet line items as a result of management's assessment are as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

35. Adoption of SFRS (I) (continued)

(b) Adoption of SFRS(I) 9 (continued)

(i) Classification and measurement (continued)

Equity investments reclassified from Financial assets, available-for-sale to FVPL

Current equity investments will be reclassified from the "Financial assets, available-for-sale" to "Fair value through profit or loss" as the Group did not make irrevocable election at initial recognition that would otherwise be measured at "Fair value through other comprehensive income". The Group will reassess the classification for any new equity investment in the future.

Financial assets, available-for-sale's debt instruments classified as FVOCI

Current debt investments classified as "Financial assets, available-for-sale" will be reclassified as "Fair value through other comprehensive income" as the Group's business model on these assets is to collect contractual cash flows consisting solely of payments of principal and interest and sell these assets. The Group will reassess the classification for any new debt investment in the future.

(ii) Impairment of financial assets

The following financial assets will be subject to the expected credit loss impairment model under SFRS(I) 9:

- trade receivables recognised under SFRS(I) 15;
- debt instruments carried at fair value through OCI; and
- loans to related parties and other receivables at amortised cost.

The management does not expect any significant impact arising from the application of the expected credit loss impairment model.

(c) Summary of provisional financial impact

The line items on the Group's financial statements that may be adjusted with significant impact arising from the adoption of SFRS(I) as described above are summarised below:

	As at 31 Dec 2017 reported under SFRS S\$'000	(Provisional) As at 1 Jan 2018 reported under SFRS(I) S\$'000	As at 1 Jan 2017 reported under SFRS S\$'000	(Provisional) As at 1 Jan 2017 reported under SFRS(I) S\$'000
Financial assets, available-for-sale	3,890	-	5,524	5,524
Financial assets, at FVPL	-	2,968	-	-
Financial assets, at FVOCI	-	922	-	-
Currency translation reserve	(3,748)	(1,950)	(1,798)	-
Retained earnings	53,158	51,360	57,926	56,128

36. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of IPC Corporation Ltd on 26 January 2018.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

37. Listing of all companies in the Group

Name of companies	Principal activities	Country of business/ incorporation	Equity holding	
			2017 %	2016 %
<u>Subsidiaries held by the Company</u>				
Corex Technology (S) Pte Ltd ^{(c), (d)}	Compulsory liquidation	Singapore	100	100
Corex Systems (S) Pte Ltd ^{(a), (c)}	Assembly of electronic components and trading of electronic products (Dormant)	Singapore	100	100
e-ipc (HK) Ltd ^(c)	Investment holding (Dormant)	Hong Kong	100	100
Essex Electronics (Singapore) Pte Ltd ^{(a), (c)}	Sales and distribution of telecommunication products	Singapore	100	100
IPC Corporation (Korea) Ltd ^(c)	Sales and distribution of computers and related products (Dormant)	Korea	92	92
IPC (Holdings) Inc. ^(e)	Investment holding (Dormant)	U.S.A	-	100
IPC Information and Communication (Pte) Ltd ^{(a), (c)}	Provision of commercial value added network services (Dormant)	Singapore	100	100
IPC Peripherals (Pte) Ltd ^(a)	Sales and distribution of computer system boards and peripheral products	Singapore	100	100
IPC Singapore Pte Ltd ^{(a), (c)}	Investment holding (Dormant)	Singapore	100	100
IPC Property Development (Zhuhai) Ltd ^(a)	Investment holding and property development	People's Republic of China	100	100
Zhuhai Costa Del Sol Grand nest HOTEL Management Co. Ltd ^{(a), (b)}	Club and hotel management company	People's Republic of China	75	75
<u>Associated company held by the subsidiaries</u>				
Zhuhai Costa Del Sol Grand nest HOTEL Management Co. Ltd ^{(a), (b)}	Club and hotel management company	People's Republic of China	25	25
<u>Associated company held by the Company</u>				
Hagenuk (Pte) Ltd ^{(a), (c)}	Sales and distribution of telecommunication products (Dormant)	Singapore	50	50

(a) Audited by PricewaterhouseCoopers LLP, Singapore.

(b) Effective holding by the Group is 100%.

(c) Immaterial to the Group.

(d) In the process of liquidation.

(e) Liquidated on 30 November 2017.

SHAREHOLDERS' INFORMATION

As at 16 March 2018

Number of equity securities	:	85,291,885
Class of equity securities	:	Ordinary shares
Voting rights	:	One vote per share
Number of treasury shares and subsidiary holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO.OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	8,089	34.83	354,903	0.42
100 - 1,000	12,311	53.01	3,721,665	4.36
1,001 - 10,000	2,465	10.61	7,509,212	8.80
10,001 - 1,000,000	346	1.49	18,658,826	21.88
1,000,001 AND ABOVE	14	0.06	55,047,279	64.54
TOTAL	23,225	100.00	85,291,885	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DB NOMINEES (SINGAPORE) PTE LTD	26,115,120	30.62
2	ESSEX INVESTMENT (S) PTE LTD	7,558,114	8.86
3	MORPH INVESTMENTS LTD	3,869,300	4.54
4	OCBC SECURITIES PRIVATE LIMITED	3,414,171	4.00
5	MAYBANK KIM ENG SECURITIES PTE. LTD.	2,122,367	2.49
6	OEI HONG LEONG	2,046,200	2.40
7	LIM CHIN CHOO @ ELIZABETH LIM	2,036,200	2.39
8	CITIBANK NOMINEES SINGAPORE PTE LTD	1,438,878	1.69
9	LAUW HUI KIAN	1,159,779	1.36
10	NGIAM MIA HAI BERNARD	1,096,029	1.29
11	NGIAM MIA JE PATRICK	1,063,981	1.25
12	NGIAM MIA HONG ALFRED	1,058,529	1.24
13	NGIAM MIA KIAT BENJAMIN	1,053,681	1.24
14	DBS NOMINEES (PRIVATE) LIMITED	1,014,930	1.19
15	BOON KIA HENG JUSTIN (WEN JIAQING)	948,400	1.11
16	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	910,746	1.07
17	WONG SAY YIN	900,000	1.06
18	CHIN KIAN FONG	769,000	0.90
19	TAN ENG KEE	586,750	0.69
20	LIM BAK	501,700	0.59
	TOTAL	59,663,875	69.98

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Approximately 51.81% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST.

SHAREHOLDERS' INFORMATION

As at 16 March 2018

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Oei Hong Leong ¹	28,111,320	32.96	-	-
Essex Investment (Singapore) Pte Ltd ("Essex")	7,558,114	8.86	-	-
Ngiam Mia Je Patrick ²	1,063,981	1.25	8,717,893	10.22
Ngiam Mia Kiat Benjamin ³	1,053,681	1.24	7,558,114	8.86
Lauw Hui Kian ⁴	1,159,779	1.36	8,622,095	10.11

Notes:

- ¹ A total of 26,065,120 shares held by Mr Oei Hong Leong are registered in the name of DB Nominees (Singapore) Pte Ltd.
- ² Deemed interest in 7,558,114 shares held by Essex by virtue of Section 7 of the Companies Act and 1,159,779 shares held by Ms Lauw Hui Kian.
- ³ Deemed interest in 7,558,114 shares held by Essex by virtue of Section 7 of the Companies Act.
- ⁴ Deemed interest in 7,558,114 shares held by Essex by virtue of Section 7 of the Companies Act and 1,063,981 shares held by Mr Ngiam Mia Je Patrick.

NOTICE OF ANNUAL GENERAL MEETING

For the financial year ended 31 December 2017

NOTICE IS HEREBY GIVEN that the Annual General Meeting of IPC Corporation Ltd ("the Company") will be held at 23 Tai Seng Drive, #06-00 Deutsche Telekom Centre, Singapore 535224 on Thursday, 26 April 2018 at 9.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2017 together with the Auditors' Report thereon.

(Resolution 1)

2. To re-elect the following Directors of the Company retiring pursuant to Article 89 of the Company's Constitution:

Mr Teo Kiang Kok **(Resolution 2)**
Dato' Dr Choo Yeow Ming ("Dato' Dr Choo") **(Resolution 3)**

Mr Teo Kiang Kok will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of Audit Committee and will be considered independent.

Dato' Dr Choo will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and Remuneration Committee and will be considered independent.

3. To re-elect the following Directors of the Company retiring pursuant to Article 90 of the Company's Constitution:

Ms Lauw Hui Kian **(Resolution 4)**
Mr Lien Kait Long **(Resolution 5)**

Mr Lien Kait Long will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Audit Committee and will be considered independent.

4. To approve the payment of Directors' fees of S\$168,750.00 for the year ended 31 December 2017 (previous year: S\$242,000.00).

(Resolution 6)

5. To re-appoint PricewaterhouseCoopers LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 7)

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING*For the financial year ended 31 December 2017***AS SPECIAL BUSINESS**

To consider and if thought fit, to pass the following resolution as Ordinary Resolution, with or without any modifications:

7. Authority to issue new shares

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other Instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution:
 - (A) by way of renounceable rights issues on a pro-rata basis ("Renounceable Rights Issues") shall not exceed 100 per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below; and
 - (B) otherwise than by way of Renounceable Rights Issues ("Other Share Issues") shall not exceed 50 per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed 20 per centum (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below);
- (2) the Renounceable Rights Issues and Other Share Issues shall not, in aggregate, exceed 100 per centum (100%) of the total number of issue shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below);
- (3) (subject to such calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1)(A) and (1)(B) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (4) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (5) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (i)]

(Resolution 8)

By Order of the Board

Ngiam Mia Hai Bernard
Secretary
Singapore, 10 April 2018

NOTICE OF ANNUAL GENERAL MEETING*For the financial year ended 31 December 2017***Explanatory Note:**

- (i) The Ordinary Resolution 8 proposed in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting (“AGM”) of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding (i) 100% for Renounceable Rights Issues and (ii) 50% for Other Shares Issues, of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders, provided that the total number of shares which may be issued pursuant to (i) and (ii) shall not exceed 100% of the issued shares (excluding treasury shares and subsidiary holdings) at the time Ordinary Resolution 8 is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

The authority for the 100% Renounceable Rights Issues is proposed pursuant to SGX-ST Practice Note 8.3 which became effective on 13 March 2017 until 31 December 2018 by which date the shares issued pursuant to the Renounceable Rights Issue must be listed (“the Enhanced Rights Issue Limit”). The Enhanced Rights Issue Limit is aimed at helping companies raise funds expediently for expansion activities or working capital. It is subject to the condition that the Company complies with applicable legal requirements including but not limited to provisions in the Companies Act requiring the Company to seek shareholders’ approval; disclosure requirements on the use of the proceeds as and when the funds are materially disbursed and a status report on the use of proceeds in the annual report; and limitations in any existing mandate from shareholders.

The Board considers it desirable to have the flexibility to respond to market developments and is of the view that the Enhanced Rights Issue Limit is in the interests of the Company and its shareholders as it provides the Directors of the Company with an opportunity to raise funds expediently and reducing the time taken for shareholders’ approval in the event the need arises. Minority shareholders’ interests are mitigated as all shareholders have equal opportunities to participate and can dispose their entitlements through trading of nil-paid rights if they do not wish to subscribe for their rights shares.

There are no limitations in the existing mandate from shareholders.

The Enhanced Rights Issue Limit will be exercised only if the Directors believe that to do so would be likely to promote the success of the Company for the benefit of shareholders as a whole.

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote in his/her stead at the Annual General Meeting (the “Meeting”).
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act.

2. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the Registered Office of the Company at 23 Tai Seng Drive, #06-00 Deutsche Telekom Centre, Singapore 535224 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

IPC CORPORATION LTD
Company Registration No.198501057M
(Incorporated in Singapore with limited liability)

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We,

of

being a member/members of IPC Corporation Ltd (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on 26 April 2018 at 9.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions relating to:	Number of Votes For ⁽¹⁾	Number of Votes Against ⁽¹⁾
1	Directors' Statement and Audited Financial Statements for the year ended 31 December 2017		
2	Re-election of Mr Teo Kiang Kok as a Director		
3	Re-election of Dato' Dr Choo Yeow Ming as a Director		
4	Re-election of Ms Lauw Hui Kian as a Director		
5	Re-election of Mr Lien Kait Long as a Director		
6	Approval of Directors' fees amounting to S\$168,750.00		
7	Re-appointment of PricewaterhouseCoopers LLP as Auditors		
8	Authority to issue new shares		

(1) If you wish to exercise all your votes "For" or "Against", please tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2018

Signature of Shareholder(s)
or Common Seal of Corporate Shareholder

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member of the Company appoints more than one proxy, that member shall specify the proportion of his/her shareholding to be represented by each proxy and if the proportion is not specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholding of that member and the second named proxy shall be deemed to be an alternate to the first named proxy.
4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

“Relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
 6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 23 Tai Seng Drive, #06-00 Deutsche Telekom Centre, Singapore 535224 not less than forty-eight (48) hours before the time appointed for the Meeting.
 7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
 8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 April 2018.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.





IPC CORPORATION LTD

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REGISTRATION NO. 198501057M