

IPC CORPORATION LTD

(Company Registration Number: 198501057M)

**FY2019 ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETING
RESPONSES TO SUBSTANTIVE AND RELEVANT QUESTIONS**

The Board of Directors (the “**Board**”) of IPC Corporation Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcements dated 9 June 2020 on the Annual General Meeting (“**AGM**”) and Extraordinary General Meeting (“**EGM**”) to be held on 25 June 2020 (“**AGM and EGM**”).

The Company would like to thank shareholders for submitting the questions in advance of its AGM and EGM to be held on 25 June 2020 via electronic means.

The Company’s responses to the key questions from shareholders in respect of its AGM can be found in the appendix to this Announcement. There were no questions submitted for the Company’s EGM.

For and on Behalf of the Board

Lauw Hui Kian
Executive Director
24 June 2020

APPENDIX

Responses to Substantive and Relevant Questions for the Company's FY2019 AGM

Question 1 : The valuation of NHJC was substantially lower for FY2019. Can you provide details of the numbers (i.e. the changes to the Key assumptions) used in deriving the valuation?

Extracted from Annual Report:

"The valuation of NHJC for FY2019 was undertaken by the same independent international valuer from Japan who did the valuation for FY2018. The methodology and bases for the FY2019 valuation were the same as those of the FY2018 valuation. Fair value measurement was derived using the Option Pricing Models to determine the valuation of the NHJC preference shares. Part of the preference shares valuation was the equity valuation which was determined based on the income approach and market approach. Key assumptions included the projected revenue growth, discount rate, terminal growth rate, discount for lack of control, discount for lack of marketability, and market multiples of comparable companies."

Answer 1 : The details key assumptions used in the computation of the valuation:

	2018	2019
Discount rate	6.5%	7.4%
Terminal growth rate	1%	0.7%
Revenue growth rate	15% - 40%	2.1% - 18.4%
Market multiple	13.2X - 15.2X	11.4X - 13.4X
Discount on lack of control and marketability	40%	40%

The parameters used were based on market comparable and the entity's projected growth.

Relationship of the assumptions to the fair value.

Discount rate.	The higher the discount rate, the lower the fair value.
Terminal growth rate.	The higher the terminal growth rate, the higher the fair value.
Revenue growth rate.	The higher the revenue growth rate, the higher the fair value.
Market multiple.	The higher the multiple, the higher the fair value.
Discount on lack of control and marketability.	The higher the discount, the lower the fair value.

The above answers can be found in the Company's 2019 Annual Report page 73 Note 29.

Question 2 : How will your company increase the shareholders' value?

Answer 2 : We will stay focused executing a scalable hotel management business model for continuing expansion pragmatically.