

IPC CORPORATION LTD

(Company Registration Number: 198501057M)

FURTHER UPDATE OF COVID-19 IMPACT ON NHJC BUSINESS IN JAPAN AND THE GROUP'S BUSINESS IN CHINA

The Board of Directors (the “**Board**”) of IPC Corporation Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to provide further update on the business impact on Nest Hotel Japan Corporation (“**NHJC**”) and the Group’s business in China resulting from the COVID-19 outbreak.

The COVID-19 pandemic has brought tourism to a global standstill. Japan has issued a nationwide state of emergency which will remain in force until 6 May 2020. This has curtailed domestic traveling and disrupted business across the country. As a result, the occupancy rate for hotels in Japan has declined to record lows. Dictated by low demands, NHJC has suspended operation on 2 hotels that it manages in Osaka till 31 May 2020. The remaining 12 hotels under NHJC’s management are still in operation.

Given the prevalent pandemic crisis and the postponement of Tokyo Olympics from July 2020 to August 2021, NHJC’s business is significantly impacted negatively. The negative performance of NHJC during this difficult period would adversely affect the value of the Group’s preference share held in NHJC.

Business activity is seen returning in China, but on a subdued basis as global demand has generally been negatively impacted due to lockdowns in many countries. The Group’s owned hotel; Grand nest HOTEL zhuhai reopened for business in March 2020 after its suspension in most part of February, but the occupancy rate remains at very low levels. There is no reservation for its MICE facilities. Rental income was affected due to certain rental waivers extended to tenants for the Group’s commercial properties in Zhuhai during the lockdown period.

The significant decline in the Group’s business in China will also have a negative impact on the Group’s financials.

The Group will be providing further updates when it reports its half-yearly results ended 30 June 2020.

Shareholders and potential investors are reminded to exercise caution when dealing or trading in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

For and on Behalf of the Board

Ngiam Mia Hai Bernard
Executive Director
24 April 2020