

IPC CORPORATION LTD

(Company Registration Number: 198501057M)

ENTRY INTO JOINT VENTURE AGREEMENT

1. INTRODUCTION

The Board of Directors (the “**Board**”) of IPC Corporation Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has today entered into a joint venture agreement (the “**Agreement**”) with Nest Hotel Japan Corporation (“**NHJC**”) and AP ASEAN Holding Limited (“**AP AHL**”, together with the Company and NHJC, the “**Parties**”), pursuant to which the Parties have agreed to establish a joint venture company (“**JV Co**”) in Singapore to conduct the business of hospitality and asset management in the Asia Pacific Region (excluding Japan) (the “**Proposed Joint Venture**”).

2. INFORMATION ON THE JV CO

The JV Co is intended to be incorporated in Singapore with an initial issued and paid-up share capital of S\$500,000.00 divided into 500,000 ordinary shares of S\$1.00 each. The shareholding structure of the JV Co is expected to be as follows:

Name of Shareholder	% shareholding
Company	37.5%
NHJC	37.5%
AP AHL	25%
<u>Total</u>	<u>100%</u>

Accordingly, the Company shall subscribe for 37.5% of the equity interest in the JV Co for a cash consideration of S\$187,500.

3. INFORMATION ON NHJC AND AP AHL

Information on NHJC

NHJC is a company incorporated in Japan, and is primarily engaged in the business of hotel management, operation and investment.

The Group owns preferred shares in NHJC, and it currently manages 10 hotels in Japan. By end-2018, the number of hotels under NHJC’s management is expected to increase to 12; and by end-2020, another 6 in the pipeline is expected to be added, resulting in a total of 18 hotels that NHJC is anticipated to manage in Japan. All the hotels managed by NHJC are under the “Nest”, “Tissage” and “Bespoke” brands.

The “Nest Hotel” trademark and name is registered and owned by the Group, and is licensed to NHJC under a licensing agreement.

The “Tissage” and “Bespoke” trademarks and names are registered and owned by NHJC.

Information on APAHL

APAHL is a company incorporated in Hong Kong, and is primarily engaged in the business of providing a full range of professional real estate services and solutions such as valuation, feasibility study, investment advisory, brokerage, property technology, property management, and fund / asset management.

APAHL currently has offices in Hong Kong, Singapore, Malaysia, Indonesia, Thailand, Vietnam, Cambodia and Myanmar.

4. SALIENT TERMS OF THE AGREEMENT

Board composition

Under the Agreement, it was agreed that the board of directors of the JV Co shall comprise 3 directors, and each of the Company, NHJC and APAHL shall be entitled to appoint 1 director.

Business activities

Under the Agreement, it was agreed that the primary object of the JV Co shall be to undertake and operate the business of hospitality and asset management in the Asia Pacific Region (excluding Japan).

5. RATIONALE FOR THE JOINT VENTURE

The Board is of the view that the Proposed Joint Venture would be in the best interest of the Company as the Proposed Joint Venture is in line with the Group's strategic plans to develop and expand its hotel management business in the region. With APAHL's presence in the region, it provides an additional value-added platform for the Company to execute its plans.

6. FINANCIAL EFFECTS

The Company's subscription for shares in the JV Co will be funded through the Group's internal resources and is not expected to have any material impact on the earnings per share or the net tangible assets per share of the Group for the financial year ending 31 December 2018.

7. NON-DISCLOSEABLE TRANSACTION

All relative figures of the Proposed Joint Venture computed pursuant to Rule 1006 of the SGX-ST Listing Manual, based on the Company's audited consolidated results for the financial year ended 31 December 2017, is less than 5% and accordingly, the Proposed Joint Venture constitutes a non-disclosable transaction under Chapter 10 of the SGX-ST Listing Manual.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has an interest, direct or indirect, in the Proposed Joint Venture, other than through their respective shareholding interests in the Company, if any.

On Behalf of the Board

Ngiam Mia Hai Bernard
Director

12 November 2018