

IPC CORPORATION LTD
(Company Registration No. 198501057M)
3rd Quarter Financial Statement

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

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

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR 3rd QUARTER ENDED 30 SEP 2011**

	Group 3 rd quarter ended 30 Sep			Group 9 months ended 30 Sep		
	2011 S\$'000	2010 S\$'000	Increase/ (decrease) %	2011 S\$'000	2010 S\$'000	Increase/ (decrease) %
Sales	2,108	6,834	(69.2)	32,238	17,648	82.7
Cost of sales	(844)	(4,452)	(81.0)	(25,293)	(13,530)	86.9
Gross profit	1,264	2,382	(46.9)	6,945	4,118	68.6
Other income	124	91	36.3	344	361	(4.7)
Other (losses)/gains, net	(1,297)	2,384	NM	(2,220)	5,662	NM
Expenses						
Distribution and marketing	(159)	(1,352)	(88.2)	(248)	(1,916)	(87.1)
Administrative	(1,212)	(1,769)	(31.5)	(4,420)	(4,783)	(7.6)
Finance	(252)	(434)	(41.9)	(753)	(634)	18.8
Other	-	9	(100.0)	(1)	(63)	(98.4)
	(1,623)	(3,546)	(54.2)	(5,422)	(7,396)	(26.7)
(Loss)/profit before income tax	(1,532)	1,311	NM	(353)	2,745	NM
Income tax expense	(536)	(27)	NM	(1,173)	(738)	58.9
(Loss)/profit for the period	(2,068)	1,284	NM	(1,526)	2,007	NM
Other comprehensive income/(loss), net of tax						
Financial assets, available-for-sale						
- Fair value (loss)/gain	(1,054)	172	NM	(1,256)	76	NM
Currency translation differences arising from consolidation	1,634	687	NM	74	491	(84.9)
Other comprehensive income/(loss), net of tax	580	859	(32.5)	(1,182)	567	NM
Total comprehensive (loss)/income	(1,488)	2,143	NM	(2,708)	2,574	NM
(Loss)/profit attributable to:						
- Equity holders of the Company	(2,121)	1,296	NM	(2,493)	1,821	NM
- Non-controlling interests	53	(12)	NM	967	186	NM
	(2,068)	1,284	NM	(1,526)	2,007	NM
Total comprehensive (loss)/income attributable to:						
- Equity holders of the Company	(1,541)	2,048	NM	(3,675)	2,281	NM
- Non-controlling interests	53	95	(44.2)	967	293	NM
	(1,488)	2,143	NM	(2,708)	2,574	NM

(i) (Loss)/profit for the period is arrived at after charging/(crediting) the following:

	Group 3 rd quarter ended 30 Sep			Group 9 months ended 30 Sep		
	2011 S\$'000	2010 S\$'000	Increase/ (decrease) %	2011 S\$'000	2010 S\$'000	Increase/ (decrease) %
Amortisation of leasehold properties	26	27	(3.7)	78	83	(6.0)
Depreciation	83	85	(2.4)	241	319	(24.5)
Foreign exchange loss, net (Note 8)	1,216	2,038	(40.3)	2,133	2,014	5.9
Gain on disposal of financial assets, available-for-sale (Note 3)	-	(4,415)	(100.0)	-	(4,415)	(100.0)
Gain on disposal of investment in associated company	-	-	NA	-	(599)	(100.0)
Gain on asset revaluation	-	(17)	(100.0)	-	(2,668)	(100.0)
Loss on disposal of non-current asset held-for-sale (Note 9)	76	-	NA	76	-	NA
Impairment loss of/(reversal of impairment of) other asset	6	2	NM	9	(3)	NM
Interest income (Note 10)	(11)	(41)	(73.2)	(56)	(98)	(42.9)
Interest expenses	252	269	(6.3)	753	461	63.3
Dividend income (Note 2)	(39)	-	NA	(41)	-	NA

Notes

1. Gross profit
The decrease in gross profit was in tandem with the decrease in sales.
2. Other income
The increase was mainly attributed to dividend income.
3. Other (losses)/gains, net
Other (losses)/gains mainly comprise foreign exchange (loss)/gain (refer to Note 8) and gain/(losses) on disposal of financial assets, available-for-sale. The decrease was mainly due to gain on disposal of financial assets, available-for-sale in 2010.
4. Distribution and marketing expenses
The decrease was related to the distribution and marketing expenses in Japan.
5. Administrative expenses
The decrease was mainly related to the expenses incurred in China and USA.
6. Finance expenses
The decrease was in tandem with the decrease in borrowings.
7. Other expenses
The expenses in 2010 were mainly attributed to the expenses incurred in China.
8. The movement of average exchange rate of Japanese Yen and US Dollars against the Singapore Dollar during the 3rd quarter of 2011 compared with the same period of 2010 resulted in the decrease in foreign exchange loss. The loss was mainly unrealised, due to recorded monetary balances denominated in foreign currencies that were adjusted to reflect the exchange rates at the balance sheet date.
9. The loss was from disposal of non-current asset held-for-sale in China.
10. The decrease in interest income was in tandem with the decrease in bank balances and lower interest rate prevailing as compared to the same period of 2010.

NM: Not meaningful (change more than 100%)

NA: Not applicable

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

STATEMENTS OF FINANCIAL POSITION

	<u>Group</u>		<u>Company</u>	
	30 Sep 2011	31 Dec 2010	30 Sep 2011	31 Dec 2010
	S\$'000	Audited S\$'000	S\$'000	Audited S\$'000
ASSETS				
Current assets				
Cash and cash equivalents (i)	50,576	68,717	38,482	46,363
Trade and other receivables (ii)	6,346	4,986	129	106
Tax recoverable	615	605	-	-
Properties held for sale (iii)	2,506	5,638	-	-
Properties developed for sale	19,332	19,356	-	-
Properties under development (iv)	42,303	50,118	-	-
Non-current asset held-for-sale (v)	-	2,440	-	-
	<u>121,678</u>	<u>151,860</u>	<u>38,611</u>	<u>46,469</u>
Non-current assets				
Financial assets, available-for-sale (vi)	11,955	8,867	7,377	169
Other receivables	-	-	59,536	63,900
Prepayment (vii)	454	392	-	-
Other asset	159	168	-	-
Investment in associates	-	-	-	-
Investment in subsidiaries	-	-	59,852	59,850
Investment properties	42,650	42,924	-	-
Prepaid leasehold properties	6,104	6,073	-	-
Land held for development	6,515	6,515	6,515	6,515
Property, plant and equipment	6,818	6,973	2	23
Deferred income tax assets (viii)	4	7	-	-
	<u>74,659</u>	<u>71,919</u>	<u>133,282</u>	<u>130,457</u>
Total assets	<u>196,337</u>	<u>223,779</u>	<u>171,893</u>	<u>176,926</u>
LIABILITIES				
Current liabilities				
Borrowings (ix)	23,240	37,429	22,558	24,973
Trade and other payables (x)	7,703	13,597	363	687
Current income tax liabilities (xi)	976	501	-	-
	<u>31,919</u>	<u>51,527</u>	<u>22,921</u>	<u>25,660</u>
Non-current liabilities				
Borrowings (ix)	21,932	22,553	-	-
Deferred income tax liabilities	1,345	1,254	-	-
	<u>23,277</u>	<u>23,807</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>55,196</u>	<u>75,334</u>	<u>22,921</u>	<u>25,660</u>
NET ASSETS	<u>141,141</u>	<u>148,445</u>	<u>148,972</u>	<u>151,266</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	140,038	140,038	140,038	140,038
Currency translation reserve	(6,214)	(6,288)	-	-
Fair value reserve	(348)	908	(1,138)	(146)
Retained earnings	5,211	9,026	10,072	11,374
	<u>138,687</u>	<u>143,684</u>	<u>148,972</u>	<u>151,266</u>
Non-controlling interests	2,454	4,761	-	-
Total equity	<u>141,141</u>	<u>148,445</u>	<u>148,972</u>	<u>151,266</u>

Notes

- (i) The decrease was mainly attributed to repayment of borrowings, payment of dividends and purchase of financial assets, available-for-sale.
- (ii) The increase was mainly related to receivable from disposal of non-current asset held-for-sale in China.
- (iii) The decrease was mainly due to sales of residential properties in USA.
- (iv) The decrease in properties under development was primarily attributable to the completion of a condominium project in Uraga, Japan and the sales were recognised in the 1st quarter of 2011.
- (v) This was related to disposal of non-current asset held-for-sale.
- (vi) The increase was due to purchase of financial assets, available-for-sale.
- (vii) The increase was from amount prepaid in China.
- (viii) This relates to deferred income tax assets in Japan.
- (ix) The decrease was due to the repayment of borrowings.
- (x) The decrease was mainly due to the payment made for a condominium project in Uraga, Japan.
- (xi) The increase was primarily related to income tax liabilities in China.

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

Amount repayable in one year or less, or on demand

As at 30 Sep 2011		As at 31 Dec 2010	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
23,240	Nil	37,429	Nil

Amount repayable after one year

As at 30 Sep 2011		As at 31 Dec 2010	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
21,932	Nil	22,553	Nil

Details of any collateral

The Group's borrowings were secured by pledge of certain bank deposits, certain financial assets, available-for-sale, a property in Zhuhai and certain investment properties in Japan.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	<u>Group</u>		<u>Group</u>	
	3 rd quarter ended 30 Sep 2011	2010	9 months ended 30 Sep 2011	2010
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
(Loss)/profit for the period	(2,068)	1,284	(1,526)	2,007
Adjustments for				
- Income tax expense	536	27	1,173	738
- Depreciation	83	85	241	319
- Amortisation of prepaid leasehold properties	26	27	78	83
- Unrealised translation losses	886	1,499	895	1,182
- Gain on disposal of financial assets, available-for-sale	-	(4,415)	-	(4,415)
- Gain on disposal of investment in associated company	-	-	-	(599)
- Gain on asset revaluation	-	(17)	-	(2,668)
- Loss on disposal of non-current asset held-for-sale	76	-	76	-
- Loss/(gain) on disposal of property, plant and equipment	1	(6)	2	8
- Impairment loss of/(reversal of impairment of) other asset	6	2	9	(3)
- Interest income	(11)	(41)	(56)	(98)
- Interest expenses	252	269	753	461
- Dividend income	(39)	-	(41)	-
	(252)	(1,286)	1,604	(2,985)
Change in working capital				
- Properties	649	3,671	15,591	(37,586)
- Trade and other receivables	(1,336)	(3,792)	(1,421)	2,701
- Trade and other payables	(879)	(428)	(10,539)	(48)
- Bank deposit (pledged)	(1,520)	2,510	3,713	(5,329)
Cash (used in)/provided by operations	(3,338)	675	8,948	(43,247)
Interest received	11	41	56	98
Interest paid	(252)	(269)	(753)	(461)
Income tax (paid)/refund, net	(51)	574	(605)	360
Net cash (used in)/provided by operating activities (i)	(3,630)	1,021	7,646	(43,250)
Cash flows from investing activities				
Purchases of property, plant and equipment	(2)	-	(2)	(42)
Purchases of financial assets, available-for-sale	(8,201)	(2,200)	(8,201)	(6,352)
Purchases of intangible assets	-	(26)	-	(26)
Proceeds from disposal of property, plant and equipment	-	7	39	7
Proceeds from disposal of investment in associated company	-	-	-	998
Proceeds from disposal of financial assets, available-for-sale	-	6,615	3,920	6,615
Proceeds from disposal of non-current asset held-for-sale	2,415	-	2,415	-
Dividends received	39	-	41	-
Net cash (used in)/provided by investing activities	(5,749)	4,396	(1,788)	1,200
Cash flows from financing activities				
Proceeds from borrowings	-	-	6,699	51,869
Repayment of borrowings	(141)	(1,466)	(20,747)	(10,283)
Proceeds from investment by non-controlling interests	-	-	-	3,348
Distribution to non-controlling interests	(54)	-	(3,186)	-
Dividends paid to equity holders of the Company	-	-	(1,322)	(1,322)
Net cash (used in)/provided by financing activities	(195)	(1,466)	(18,556)	43,612
Net (decrease)/increase in cash and cash equivalents	(9,574)	3,951	(12,698)	1,562
Cash and cash equivalents at beginning of financial period	33,593	38,997	38,507	41,395
Effects of currency translation on cash and cash equivalents	60	(149)	(1,730)	(158)
Cash and cash equivalents at end of financial period	24,079	42,799	24,079	42,799

Notes:

- (i) The deficit in cash from operations was mainly related to deposit pledged to banks and increase in receivables.
- (ii) For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	<u>30 Sep 2011</u>	<u>30 Sep 2010</u>
Cash and bank balances	50,576	62,128
Less: bank deposit pledged	(26,497)	(19,329)
Cash and cash equivalents per consolidated statement of cash flows	24,079	42,799

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

STATEMENT OF CHANGES IN EQUITY – GROUP	Attributable to Equity Holders of the Company						
	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total Equity S\$'000
2011							
As at 1 Jan	140,038	(6,288)	908	9,026	143,684	4,761	148,445
Total comprehensive (loss)/income for the period	---	(1,560)	(202)	(372)	(2,134)	914	(1,220)
Distribution to non-controlling interests	---	---	---	---	---	(3,231)	(3,231)
Dividends paid	---	---	---	(1,322)	(1,322)	---	(1,322)
As at 30 Jun	140,038	(7,848)	706	7,332	140,228	2,444	142,672
Total comprehensive income/(loss) for the period	---	1,634	(1,054)	(2,121)	(1,541)	53	(1,488)
Distribution to non-controlling interests	---	---	---	---	---	(43)	(43)
As at 30 Sep	140,038	(6,214)	(348)	5,211	138,687	2,454	141,141

STATEMENT OF CHANGES IN EQUITY – GROUP	Attributable to Equity Holders of the Company						
	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total Equity S\$'000
2010							
As at 1 Jan	140,038	(5,772)	150	5,524	139,940	---	139,940
Total comprehensive (loss)/income for the period	---	(196)	(96)	525	233	198	431
Incorporation of a special purpose entity and investment by non-controlling interests	---	---	---	---	---	3,348	3,348
Dividends paid relating to 2009	---	---	---	(1,322)	(1,322)	---	(1,322)
As at 30 Jun	140,038	(5,968)	54	4,727	138,851	3,546	142,397
Total comprehensive income for the period	---	580	172	1,296	2,048	95	2,143
As at 30 Sep	140,038	(5,388)	226	6,023	140,899	3,641	144,540

STATEMENT OF CHANGES IN EQUITY – COMPANY

	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
2011				
As at 1 Jan	140,038	(146)	11,374	151,266
Total comprehensive loss for the period	---	(55)	(991)	(1,046)
Dividends paid relating to 2010	---	---	(1,322)	(1,322)
As at 30 Jun	140,038	(201)	9,061	148,898
Total comprehensive (loss)/income for the period	---	(937)	1,011	74
As at 30 Sep	140,038	(1,138)	10,072	148,972

STATEMENT OF CHANGES IN EQUITY – COMPANY

	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
2010				
As at 1 Jan	140,038	71	17,446	157,555
Total comprehensive loss/(income) for the period	---	(114)	811	697
Dividends paid relating to 2009	---	---	(1,322)	(1,322)
As at 30 Jun	140,038	(43)	16,935	156,930
Total comprehensive loss for the period	---	(100)	(4,541)	(4,641)
As at 30 Sep	140,038	(143)	12,394	152,289

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

SHARE OPTIONS AS AT 30 SEP 2011

	Options as at 1 Jan 2011	Lapsed	Options as at 30 Sep 2011
ESOS Grant 2001	150,000	---	150,000
ESOS Grant 2002	975,000	---	975,000
TOTAL	1,125,000	---	1,125,000

SHARE OPTIONS AS AT 30 SEP 2010

	Options as at 1 Jan 2010	Lapsed	Options as at 30 Sep 2010
ESOS Grant 2001	150,000	---	150,000
ESOS Grant 2002	975,000	---	975,000
TOTAL	1,125,000	---	1,125,000

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

The total number of issued shares as at 30 Sep 2011 was 528,613,759 (31 Dec 2010: 528,613,759). The Group and Company have no treasury share for both years.

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

The Group and Company have no treasury share.

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

The figures have not been audited or reviewed by the Company's auditor.

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

Not applicable.

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

The accounting policies and methods of computations applied by the Group are consistent with those used in its audited financial statements as at 31 December 2010, except for those as disclosed under item 5 below.

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

On 1 January 2011, the Group adopted the Amendments to FRS 24 – Related party and disclosures. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

The adoption of this amended FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

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

	Group		Group	
	3 rd quarter ended 30 Sep 2011	30 Sep 2010	9 months ended 30 Sep 2011	30 Sep 2010
Earnings per ordinary share of the Group for the year, after deducting any provision for preference dividends:-				
(i) Based on the weighted average number of ordinary shares on issue (in cents)	(0.40)	0.25	(0.47)	0.34
(ii) On a fully diluted basis (in cents)	(0.40)	0.25	(0.47)	0.34

Note

The basic and diluted earnings per share calculation as at 30 Sep 2011 are based on the number of shares of 528,613,759 (30 Sep 2010: 528,613,759).

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

	GROUP		COMPANY	
	30 Sep 2011	31 Dec 2010 Audited	30 Sep 2011	31 Dec 2010 Audited
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at the end of the financial period/year:-	26.24 cents	27.18 cents	28.18 cents	28.62 cents
Number of existing issued shares excluding treasury shares at end of the financial period/year:	528,613,759	528,613,759	528,613,759	528,613,759

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

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

For the 3rd quarter under review, the Group recorded sales of S\$2.108 million, a decrease of about 69% as compared to the same period of the previous year. The sales were mainly derived from sale of Single Family Residential unit in USA and rental income of the three business hotels in Japan (Asagaya, Asakusa and Okayama). As for the Tsukimino Project in Japan, construction is still in progress, therefore no sales have been accounted for although the whole project has been sold. Revenue and profits resulting from the said project shall be recognised upon project completion and delivery of units to the buyers, which is expected to commence from end of December 2011.

The lower sales and an unrealised foreign translation loss of S\$1.216 million coupled with a tax expense of S\$0.536 million for the quarter under review have resulted in an after-tax loss of S\$2.068 million.

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

No forecast or prospect statement has been previously disclosed to shareholders.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The construction of the 6-storey condominium project comprising 38 apartment units in Tsukimino, Japan ("Tsukimino Project") is progressing well since its commencement in 2nd quarter. Tsukimino is located in the northern part of Kanagawa Prefecture. The completion is scheduled by end of December 2011.

While the Group remains engaged in its property investment and development activities in Japan, the level of such activities may still be affected by the March 11 earthquake in the near term.

The buy-sell activity of Single Family Residential ("SFR") units in USA has been impacted by major banks suspending foreclosure sales, which resulted in no new purchases during the quarter under review. If the suspension on foreclosure sales were to continue, contribution from the USA unit would be affected as revenue would only come from the sales of the remaining stock.

The Group's unit in China continues its property consulting and investment (PCI) activity in the 2nd tier cities.

11. **Dividend**

(a)Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b)Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c)Date payable

Not applicable

(d)Books closure date

Not applicable

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

Not applicable.

13. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have any general mandate from shareholders pursuant to Rule 920.

14. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the third quarter ended 30 Sep 2011 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ngiam Mia Je Patrick
Executive Chairman

Ngiam Mia Kiat Benjamin
Managing Director

31 October 2011

BY ORDER OF THE BOARD

Lauw Hui Kian
Director
31 October 2011