

IPC CORPORATION LTD  
(Company Registration No. 198501057M)  
1<sup>st</sup> 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 1<sup>ST</sup> QUARTER ENDED 31 MARCH 2012

	31 Mar 2012 S\$'000	Group 31 Mar 2011 S\$'000	Increase/ (decrease) %
Sales	9,688	28,239	(65.7)
Cost of sales	(7,004)	(23,396)	(70.1)
Gross profit	2,684	4,843	(44.6)
Other income	161	117	37.6
Other gains/(losses), net	1,296	(144)	NM
Expenses			
Distribution and marketing	(30)	(43)	(30.2)
Administrative	(1,409)	(1,751)	(19.5)
Finance	(380)	(264)	43.9
Other	—	(1)	(100.0)
	(1,819)	(2,059)	(11.7)
Profit before income tax	2,322	2,757	(15.8)
Income tax expense	(204)	(91)	NM
Profit for the period	2,118	2,666	(20.6)
<b>Other comprehensive income/(loss), net of tax</b>			
Financial assets, available-for-sale			
- Disposal	20	—	NA
- Fair value gain/(loss)	427	(13)	NM
Currency translation differences arising from consolidation	(1,437)	(892)	61.1
<b>Other comprehensive loss, net of tax</b>	(990)	(905)	9.4
<b>Total comprehensive income</b>	<b>1,128</b>	<b>1,761</b>	<b>(35.9)</b>
<b>Profit attributable to:</b>			
- Equity holders of the Company	2,010	2,607	(22.9)
- Non-controlling interests	108	59	83.1
	2,118	2,666	(20.6)
<b>Total comprehensive income attributable to:</b>			
- Equity holders of the Company	1,020	1,702	(40.1)
- Non-controlling interests	108	59	83.1
	1,128	1,761	(35.9)

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

	31 Mar 2012 S\$'000	Group 31 Mar 2011 S\$'000	Increase/ (decrease) %
Amortisation of leasehold properties	27	26	3.8
Depreciation (Note 9)	67	80	(16.3)
Foreign exchange (gain)/loss, net (Note 10)	(1,096)	137	NM
Gain on disposal of financial assets, available-for-sale	(200)	–	NA
Impairment loss of other asset	–	3	(100.0)
Interest income (Note 11)	(22)	(30)	(26.7)
Interest expenses (Note 6)	380	264	43.9
Dividend income (Note 2)	(77)	–	NA

#### Notes

1. Gross profit  
The decrease in gross profit was in tandem with the decrease in sales.
2. Other income  
The increase in other income was mainly due to the dividend income earned from available-for-sale financial assets.
3. Other gains and (losses), net  
Other gains in 2012 were mainly contributed by unrealised foreign exchange gain and gain on disposal of available-for-sale financial assets whereas other losses in 2011 were incurred from unrealised foreign exchange losses.
4. Distribution and marketing expenses  
The decrease was related to lower distribution and marketing expenses incurred in China.
5. Administrative expenses  
The decrease was mainly due to lower expenses incurred for the projects in Japan.
6. Finance expenses  
The increase was mainly due to interest expenses incurred on increased borrowings in Japan.
7. Other expenses  
The expenses in 2011 were mainly due to bad debts written off on other receivables.
8. Income tax expense  
Taxation was mainly related to the deferred income tax in Japan.
9. The decrease in depreciation was mainly due to certain assets that have been fully depreciated.
10. The movement in the exchange rates of Japanese Yen and US Dollars against the Singapore Dollar resulted in foreign exchange gains. The gains were mainly unrealised, due to recorded monetary balances denominated in foreign currencies that were adjusted to reflect the Singapore dollars equivalent at the statements of financial position date.
11. The decrease in interest income was due to lower interest rate prevailing as compared to the same period of 2011.

NM: Not meaningful (change more than 100%)

NA: Not applicable

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

**STATEMENTS OF FINANCIAL POSITION**

	<u>Group</u>		<u>Company</u>	
	31 Mar 2012	31 Dec 2011 Audited	31 Mar 2012	31 Dec 2011 Audited
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	62,270	58,411	45,739	38,952
Trade and other receivables	1,498	1,519	126	113
Tax recoverable	614	632	–	–
Properties held for sale (i)	1,815	2,683	–	–
Properties developed for sale (ii)	20,263	25,547	–	–
Properties under development (iii)	41,468	33,961	–	–
	<u>127,928</u>	<u>122,753</u>	<u>45,865</u>	<u>39,065</u>
<b>Non-current assets</b>				
Financial assets, available-for-sale	17,088	16,916	8,419	8,124
Other receivables	–	–	58,163	60,637
Prepayment (iv)	383	430	–	–
Other asset	150	150	–	–
Investment in associates	–	–	–	–
Investment in subsidiaries	–	–	57,983	59,786
Investment properties	63,128	68,904	–	–
Prepaid leasehold properties	3,976	4,176	–	–
Land held for development	6,515	6,515	6,515	6,515
Property, plant and equipment	7,044	7,299	228	240
Deferred income tax assets (v)	14	5	–	–
	<u>98,298</u>	<u>104,395</u>	<u>131,308</u>	<u>135,302</u>
<b>Total assets</b>	<u>226,226</u>	<u>227,148</u>	<u>177,173</u>	<u>174,367</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Borrowings (vi)	20,864	25,250	19,323	23,631
Trade and other payables (vii)	5,199	6,066	699	825
Current income tax liabilities (viii)	406	758	–	–
	<u>26,469</u>	<u>32,074</u>	<u>20,022</u>	<u>24,456</u>
<b>Non-current liabilities</b>				
Borrowings (vi)	36,242	39,567	–	–
Deferred income tax liabilities	3,481	3,704	–	–
	<u>39,723</u>	<u>43,271</u>	<u>–</u>	<u>–</u>
<b>Total liabilities</b>	<u>66,192</u>	<u>75,345</u>	<u>20,022</u>	<u>24,456</u>
<b>NET ASSETS</b>	<u>160,034</u>	<u>151,803</u>	<u>157,151</u>	<u>149,911</u>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	147,238	140,038	147,238	140,038
Currency translation reserve	(4,810)	(3,373)	–	–
Fair value reserve	761	314	57	(291)
Retained earnings	13,362	11,352	9,856	10,164
	<u>156,551</u>	<u>148,331</u>	<u>157,151</u>	<u>149,911</u>
<b>Non-controlling interests</b>	3,483	3,472	–	–
<b>Total equity</b>	<u>160,034</u>	<u>151,803</u>	<u>157,151</u>	<u>149,911</u>

## Notes

- (i) The decrease was mainly due to sales of residential property in USA.
- (ii) The decrease was due to the sales of condominium project in Tsukimino, Japan.
- (iii) The increase was due to the purchase of condominium project in Oppama, Japan.
- (iv) The decrease was mainly due to the lower prepaid expenses in China.
- (v) The increase was due to deferred income taxation in Japan.
- (vi) The decrease was mainly attributable to the repayment of borrowings and the weakening of Japanese Yen against Singapore Dollar.
- (vii) The decrease was mainly due to settlement of liabilities in Japan.
- (viii) The decrease was mainly due to the settlement of 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

<u>Group</u>		<u>Group</u>	
As at 31 Mar 2012		As at 31 Dec 2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
20,864	Nil	25,250	Nil

#### Amount repayable after one year

<u>Group</u>		<u>Group</u>	
As at 31 Mar 2012		As at 31 Dec 2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
36,242	Nil	39,567	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 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**

	Group	
	31 Mar 2012	31 Mar 2011
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit for the period	2,118	2,666
Adjustments for		
- Income tax expense	204	91
- Depreciation	67	80
- Amortisation of prepaid leasehold properties	27	26
- Unrealised translation gains	(1,708)	(488)
- Gain on disposal of financial assets, available-for-sale	(200)	-
- Loss on disposal of property, plant and equipment	-	4
- Impairment loss of other asset	-	3
- Interest income	(22)	(30)
- Interest expenses	380	264
- Dividend income	(77)	-
	789	2,616
Change in working capital		
- Properties	945	13,654
- Trade and other receivables	67	(280)
- Trade and other payables	(865)	(9,486)
- Bank deposit (pledged)	884	(1,999)
Cash generated from operations	1,820	4,505
Interest received	22	30
Income tax paid, net	(448)	(1)
<b>Net cash provided by operating activities</b>	1,394	4,534
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(2)	-
Proceeds from disposal of property, plant and equipment	-	5
Proceeds from disposal of financial assets, available-for-sale	253	3,920
Dividends received	77	-
<b>Net cash provided by investing activities</b>	328	3,925
<b>Cash flows from financing activities</b>		
Interest paid	(380)	(264)
Proceeds from borrowings (i)	2,782	6,699
Repayment of borrowings	(5,344)	(11,813)
Proceeds from issuance of shares	7,200	-
Distribution to non-controlling interests	(97)	-
<b>Net cash provided by/(used in) financing activities</b>	4,161	(5,378)
<b>Net increase in cash and cash equivalents</b>	5,883	3,081
Cash and cash equivalents at beginning of financial year	38,710	38,507
Effects of currency translation on cash and cash equivalents	(1,140)	(741)
<b>Cash and cash equivalents at end of financial year</b>	43,453	40,847

**Notes:**

- (i) The borrowing was taken for the project in Japan.
- (ii) For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	31 Mar 2012	31 Mar 2011
	S\$'000	S\$'000
Cash and bank balances	62,270	73,055
Less: bank deposit pledged	(18,817)	(32,208)
Cash and cash equivalents per consolidated statement of cash flows	43,453	40,847

**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					Non-controlling interests S\$'000	Total Equity S\$'000
	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000		
<b>2012</b>							
As at 1 Jan	140,038	(3,373)	314	11,352	148,331	3,472	151,803
Issue of new shares	7,200	–	–	–	7,200	–	7,200
Total comprehensive (loss)/income for the year	–	(1,437)	447	2,010	1,020	108	1,128
Distribution to non-controlling interests	–	–	–	–	–	(97)	(97)
As at 31 Mar	147,238	(4,810)	761	13,362	156,551	3,483	160,034

STATEMENT OF CHANGES IN EQUITY – GROUP	Attributable to Equity Holders of the Company					Non-controlling interests S\$'000	Total Equity S\$'000
	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000		
<b>2011</b>							
As at 1 Jan	140,038	(6,288)	908	9,026	143,684	4,761	148,445
Total comprehensive (loss)/income for the year	–	(892)	(13)	2,607	1,702	59	1,761
Distribution to non-controlling interests	–	–	–	–	–	(2,393)	(2,393)
As at 31 Mar	140,038	(7,180)	895	11,633	145,386	2,427	147,813

**STATEMENT OF CHANGES IN EQUITY – COMPANY**

	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
<b>2012</b>				
As at 1 Jan	140,038	(291)	10,164	149,911
Issue of new shares	7,200	–	–	7,200
Total comprehensive income/(loss) for the year	–	348	(308)	40
As at 31 Mar	147,238	57	9,856	157,151

**STATEMENT OF CHANGES IN EQUITY – COMPANY**

	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
<b>2011</b>				
As at 1 Jan	140,038	(146)	11,374	151,266
Total comprehensive income/(loss) for the year	–	49	(1,412)	(1,363)
As at 31 Mar	140,038	(97)	9,962	149,903

- 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 31 MAR 2012

	Options as at 1 Jan 2012	Lapsed	Options as at 31 Mar 2012
ESOS Grant 2001	–	–	–
ESOS Grant 2002	975,000	(975,000)	–
TOTAL	975,000	(975,000)	–

#### SHARE OPTIONS AS AT 31 MAR 2011

	Options as at 1 Jan 2011	Lapsed	Options as at 31 Mar 2011
ESOS Grant 2001	150,000	–	150,000
ESOS Grant 2002	975,000	–	975,000
TOTAL	1,125,000	–	1,125,000

#### SHARE CAPITAL

	2012		2011	
	Number of shares	S\$'000	Number of shares	S\$'000
As at 1 Jan	528,613,759	140,038	528,613,759	140,038
Issue of shares pursuant to placement	40,000,000	7,200	–	–
As at 31 Mar	568,613,759	147,238	528,613,759	140,038

On 7 Mar 2012, a new share placement of 40,000,000 ordinary shares at a placement price of S\$0.18 for each ordinary share has been issued.

- 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 31 Mar 2012 was 568,613,759 (31 Dec 2011: 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 2011, 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 2012, the Group adopted the Amendments to FRS 12 – Income Taxes. 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 any 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	
	31 Mar 2012	31 Mar 2011
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)	0.37	0.49
(ii) On a fully diluted basis (in cents)	0.37	0.49

**Note**

The basic and diluted earnings per share calculation as at 31 Mar 2012 are based on the weighted average number of shares of 539,602,770. (31 Mar 2011: 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	
	31 Mar 2012	31 Dec 2011 Audited	31 Mar 2012	31 Dec 2011 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:-	27.53 cents	28.06 cents	27.64 cents	28.36 cents
Number of existing issued shares excluding treasury shares at end of the financial period/year:	568,613,759	528,613,759	568,613,759	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.**

Group sales has decreased by 65.7% to S\$9.688 million for the 1<sup>st</sup> quarter ended 31 March 2012 when compared to S\$28.239 million recorded for the same period of previous year. The sales for the current quarter were mainly derived from the sales of condominium project in Tsukimino, Japan, Single Family Residential unit in USA and rental income of four business hotels in Japan (Asagaya, Asakusa, Okayama and Matsuyama).

The decrease in sales was attributed essentially to fewer number of condominium units sold as compared to the same period of the previous year. Correspondingly, gross profit has decreased by 44.6% to S\$2.684 million as compared to S\$4.843 million.

The Group's other gains of S\$1.296 million were mainly attributed to unrealised foreign exchange gains of S\$1.096 million resulting from the weakening of exchange rate of Japanese Yen against Singapore dollars and gains on disposal of available-for-sale financial assets of S\$0.2 million.

The gross profit of S\$2.684 million recorded, coupled with other gains and other income, the Group registered a profit before tax of S\$2.322 million and an after-tax profit of S\$2.118 million for the 1<sup>st</sup> quarter ended 31 March 2012.

For the quarter under review, the Company has successfully completed a new share placement of 40,000,000 ordinary shares in the capital of the Company at a placement price of S\$0.18 for each ordinary share of the Company. Based on the placement price, the net proceeds from the placement to the Company after deducting for placement expense payable is approximately S\$7.16 million. The Company intends to use the net proceeds for additional working capital. As at the date of reporting, the proceeds have not been utilised. The Company shall make the necessary announcement whenever the proceeds from the placement are used.

- 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 main highlight for the quarter under review was the purchase of uncompleted development condominium project designed for 85 apartment units in Oppama ("Oppama Project"), which is located about 50Km to the South from the center of Tokyo, Japan. The Group has, at the same time entered into a Sales and Purchase Agreement to pre-sell the entire project. The project is scheduled for completion by Q2 of 2013.

The buy-sell activity of Single Family Residential ("SFR") units in USA is expected to remain slow and as for the operations in China, the Group continues to seek for opportunities for its Property Consulting and Investment ("PCI") activity in the 2<sup>nd</sup> 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/recommended, 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.

**CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

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 1<sup>st</sup> quarter ended 31 March 2012 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ngiam Mia Jie Patrick  
Executive Chairman

Ngiam Mia Kiat Benjamin  
Managing Director

2 May 2012

**BY ORDER OF THE BOARD**

Lauw Hui Kian  
Director  
2 May 2012