

**IPC CORPORATION LTD**  
**(Company Registration No. 198501057M)**  
**2<sup>nd</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 2<sup>nd</sup> QUARTER ENDED 30 JUNE 2012**

	<u>Group</u>			<u>Group</u>		
	2 <sup>nd</sup> quarter ended 30 Jun	2011	Increase/ (decrease)	Half year ended 30 Jun	2011	Increase/ (decrease)
	2012	S\$'000	%	2012	S\$'000	%
Revenue	2,517	1,890	33.2	12,205	30,129	(59.5)
Cost of sales	(829)	(1,053)	(21.3)	(7,833)	(24,449)	(68.0)
Gross profit	1,688	837	NM	4,372	5,680	(23.0)
Other income	218	103	NM	379	220	72.3
Other (losses)/gains, net	(271)	(779)	(65.2)	1,025	(923)	NM
Expenses						
Distribution and marketing	(32)	(45)	(28.9)	(62)	(88)	(29.5)
Administrative	(1,786)	(1,457)	22.6	(3,195)	(3,208)	(0.4)
Finance	(372)	(238)	56.3	(752)	(502)	49.8
Other	-	-	NA	-	(1)	(100.0)
	(2,190)	(1,740)	25.9	(4,009)	(3,799)	5.5
(Loss)/profit before income tax	(555)	(1,579)	(64.9)	1,767	1,178	50.0
Income tax expense	(587)	(545)	7.7	(791)	(636)	24.4
(Loss)/profit for the period	(1,142)	(2,124)	(46.2)	976	542	80.1
<b>Other comprehensive income/(loss), net of tax</b>						
Financial assets, available-for-sale						
- Disposal	(78)	-	NA	(58)	-	NA
- Fair value (loss)/gain	(99)	(189)	(47.6)	328	(1,560)	NM
Currency translation differences arising from consolidation	1,848	(668)	NM	411	(202)	NM
<b>Other comprehensive income/(loss), net of tax</b>	1,671	(857)	NM	681	(1,762)	NM
<b>Total comprehensive income/(loss)</b>	529	(2,981)	NM	1,657	(1,220)	NM
<b>(Loss)/profit attributable to:</b>						
- Equity holders of the Company	(1,240)	(2,979)	(58.4)	770	(372)	NM
- Non-controlling interests	98	855	(88.5)	206	914	(77.5)
	(1,142)	(2,124)	(46.2)	976	542	80.1
<b>Total comprehensive income/(loss) attributable to:</b>						
- Equity holders of the Company	431	(3,836)	NM	1,451	(2,134)	NM
- Non-controlling interests	98	855	(88.5)	206	914	(77.5)
	529	(2,981)	NM	1,657	1,220	35.8

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

	Group			Group		
	2 <sup>nd</sup> quarter ended 30 Jun		Increase/ (decrease) %	Half year ended 30 Jun		Increase/ (decrease) %
2012	2011	2012		2011		
	S\$'000	S\$'000	S\$'000	S\$'000		
Amortisation of leasehold properties	27	26	54	52		
Depreciation (Note 7)	69	78	136	158		
Foreign exchange losses/(gains), net (Note 8)	417	780	(679)	917		
Gain on disposal of financial assets, available-for-sale	(146)	–	(346)	–		
Impairment loss of other asset	–	–	–	3		
Interest income (Note 9)	(50)	(15)	(72)	(45)		
Interest expenses (Note 6)	372	238	752	502		
Dividend income (Note 2)	(64)	–	(141)	–		

#### Notes

- Gross profit**  
 The increase in gross profit for the 2<sup>nd</sup> quarter under review was in tandem with the increase in revenue which was mainly contributed by an additional business hotel (Matsuyama).
- Other income**  
 The increase in other income was mainly due to the dividend income earned from available-for-sale financial assets and interest income earned.
- Other (losses) and gains, net**  
 Other losses for the 2<sup>nd</sup> quarter ended 2012 were mainly contributed by decrease in unrealised foreign exchange losses, net (refer to Note 8) and offset by gain on disposal of available-for-sale financial assets.
- Distribution and marketing expenses**  
 The decrease was related to lower distribution and marketing expenses incurred in China.
- Administrative expenses**  
 The increase was mainly due to expenses incurred in Japan.
- Finance expenses**  
 The increase was mainly due to interest expenses incurred on additional borrowings in Japan.
- Depreciation**  
 The decrease was due to certain assets that have been fully depreciated.
- The movement in the exchange rates of Japanese Yen and US Dollars against the Singapore Dollar during the 2<sup>nd</sup> quarter under review compared to the same period of 2011 resulted in foreign exchange losses. The losses 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.**
- The increase in interest income was due to interest earned from bank deposits in China.**

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>	
	30 Jun 2012	31 Dec 2011 Audited	30 Jun 2012	31 Dec 2011 Audited
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	57,254	58,411	41,633	38,952
Trade and other receivables (i)	982	1,519	249	113
Tax recoverable	626	632	-	-
Properties held for sale (ii)	937	2,683	-	-
Properties developed for sale (iii)	20,263	25,547	-	-
Properties under development (iv)	45,341	33,961	-	-
	<u>125,403</u>	<u>122,753</u>	<u>41,882</u>	<u>39,065</u>
<b>Non-current assets</b>				
Financial assets, available-for-sale (v)	21,033	16,916	12,299	8,124
Other receivables	-	-	58,353	60,637
Prepayment (vi)	355	430	-	-
Other asset	150	150	-	-
Investment in associates	-	-	-	-
Investment in subsidiaries	-	-	61,461	59,786
Investment properties	65,603	68,904	-	-
Prepaid leasehold properties	4,067	4,176	-	-
Land held for development	6,515	6,515	6,515	6,515
Property, plant and equipment	7,105	7,299	215	240
Deferred income tax assets (vii)	7	5	-	-
	<u>104,835</u>	<u>104,395</u>	<u>138,843</u>	<u>135,302</u>
<b>Total assets</b>	<u>230,238</u>	<u>227,148</u>	<u>180,725</u>	<u>174,367</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Borrowings (ix)	27,250	25,250	21,586	23,631
Trade and other payables	6,374	6,066	1,591	825
Current income tax liabilities (viii)	416	758	-	-
	<u>34,040</u>	<u>32,074</u>	<u>23,177</u>	<u>24,456</u>
<b>Non-current liabilities</b>				
Borrowings (ix)	33,397	39,567	-	-
Deferred income tax liabilities	3,741	3,704	-	-
	<u>37,138</u>	<u>43,271</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>71,178</u>	<u>75,345</u>	<u>23,177</u>	<u>24,456</u>
<b>NET ASSETS</b>	<u>159,060</u>	<u>151,803</u>	<u>157,548</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	(2,962)	(3,373)	-	-
Fair value reserve	584	314	(35)	(291)
Retained earnings	10,700	11,352	10,345	10,164
	<u>155,560</u>	<u>148,331</u>	<u>157,548</u>	<u>149,911</u>
<b>Non-controlling interests</b>	3,500	3,472	-	-
<b>Total equity</b>	<u>159,060</u>	<u>151,803</u>	<u>157,548</u>	<u>149,911</u>

**Notes**

- (i) The decrease was mainly due to receipt of other receivables in Japan.
- (ii) The decrease was mainly due to sales of residential properties in USA.
- (iii) The decrease was due to the sales of condominium project in Tsukimino, Japan.
- (iv) The increase was due to the purchase of condominium project in Oppama and Oiso, Japan.
- (v) The increase was due to purchase of financial assets, available-for-sale.
- (vi) The decrease was mainly due to the lower prepaid expenses in China.
- (vii) The increase was due to deferred income taxation in Japan.
- (viii) The decrease was mainly due to the settlement of tax liabilities in China.
- (ix) The decrease in non-current borrowings was due to reclassification from non-current to current borrowings.

**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 30 Jun 2012		As at 31 Dec 2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
27,250	Nil	25,250	Nil

**Amount repayable after one year**

<u>Group</u>		<u>Group</u>	
As at 30 Jun 2012		As at 31 Dec 2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
33,397	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**

	<u>Group</u>		<u>Group</u>	
	2 <sup>nd</sup> quarter ended 30 Jun		Half year ended 30 Jun	
	2012	2011	2012	2011
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
(Loss)/profit for the period	(1,142)	(2,124)	976	542
Adjustments for				
- Income tax expense	587	545	791	636
- Depreciation	69	78	136	158
- Amortisation of prepaid leasehold properties	27	26	54	52
- Unrealised translation losses/(gains)	665	497	(1,043)	9
- Gain on disposal of financial assets, available-for-sale	(146)	-	(346)	-
- (Gain)/loss on disposal of property, plant and equipment	-	(3)	-	1
- Impairment loss of other asset	-	-	-	3
- Interest income	(50)	(15)	(72)	(45)
- Interest expenses	372	238	752	502
- Dividend income	(64)	-	(141)	-
	<u>318</u>	<u>(758)</u>	<u>1,107</u>	<u>1,858</u>
Change in working capital				
- Properties	(2,754)	1,288	(1,809)	14,942
- Trade and other receivables	540	195	607	(85)
- Trade and other payables	1,174	(174)	309	(9,660)
- Bank deposit (pledged)	(2,795)	7,232	(1,911)	5,233
Cash (used in)/generated from operations	(3,517)	7,783	(1,697)	12,288
Interest received	50	15	72	45
Income tax paid, net	(456)	(553)	(904)	(554)
<b>Net cash (used in)/provided by operating activities (i)</b>	<u>(3,923)</u>	<u>7,245</u>	<u>(2,529)</u>	<u>11,779</u>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	-	-	(2)	-
Proceeds from disposal of property, plant and equipment	-	34	-	39
Purchases of financial assets, available-for-sale	(4,749)	-	(4,749)	-
Proceeds from disposal of financial assets, available-for-sale	925	-	1,178	3,920
Dividends received	64	2	141	2
<b>Net cash (used in)/provided by investing activities</b>	<u>(3,760)</u>	<u>36</u>	<u>(3,432)</u>	<u>3,961</u>
<b>Cash flows from financing activities</b>				
Interest paid	(372)	(238)	(752)	(502)
Proceeds from borrowings (ii)	2,620	-	5,402	6,699
Repayment of borrowings	(1,221)	(8,793)	(6,565)	(20,606)
Proceeds from issuance of shares	-	-	7,200	-
Distribution to non-controlling interests	(81)	(2,320)	(178)	(2,320)
Dividends paid to equity holders of the Company	(1,422)	(1,322)	(1,422)	(1,322)
Dividends paid to non-controlling interests	-	(812)	-	(812)
<b>Net cash (used in)/provided by financing activities</b>	<u>(476)</u>	<u>(13,485)</u>	<u>3,685</u>	<u>(18,863)</u>
<b>Net decrease in cash and cash equivalents</b>	(8,159)	(6,204)	(2,276)	(3,123)
Cash and cash equivalents at beginning of financial period	43,453	40,847	38,710	38,507
Effects of currency translation on cash and cash equivalents	348	(1,050)	(792)	(1,791)
<b>Cash and cash equivalents at end of financial period</b>	<u>35,642</u>	<u>33,593</u>	<u>35,642</u>	<u>33,593</u>

**Notes:**

- (i) The deficit in cash from operations was mainly related to deposit pledged to banks and purchase of properties.
- (ii) The borrowing was taken for the project in Japan.
- (iii) For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	<u>30 Jun 2012</u>	<u>30 Jun 2011</u>
	S\$'000	S\$'000
Cash and bank balances	57,254	58,570
Less: bank deposit pledged	(21,612)	(24,977)
Cash and cash equivalents per consolidated statement of cash flows	<u>35,642</u>	<u>33,593</u>

**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 period	–	(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
Total comprehensive income/(loss) for the period	–	1,848	(177)	(1,240)	431	98	529
Distribution to non-controlling interests	–	–	–	–	–	(81)	(81)
Dividends paid	–	–	–	(1,422)	(1,422)	–	(1,422)
As at 30 Jun	147,238	(2,962)	584	10,700	155,560	3,500	159,060

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 period	–	(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
Total comprehensive (loss)/income for the period	–	(668)	(189)	(2,979)	(3,836)	855	(2,981)
Distribution to non-controlling interests	–	–	–	–	–	(26)	(26)
Dividends paid	–	–	–	(1,322)	(1,322)	(812)	(2,134)
As at 30 Jun	140,048	(7,848)	706	7,332	140,228	2,444	142,672

**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 period	–	348	(308)	40
As at 31 Mar	147,238	57	9,856	157,151
Total comprehensive (loss)/income for the period	–	(92)	1,911	1,819
Dividends paid	–	–	(1,422)	(1,422)
As at 30 Jun	147,238	(35)	10,345	157,548

**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 period	–	49	(1,412)	(1,363)
As at 31 Mar	140,038	(97)	9,962	149,903
Total comprehensive (loss)/income for the period	–	(104)	421	317
Dividends paid	–	–	(1,322)	(1,322)
As at 30 Jun	140,038	(201)	9,061	148,898

- 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 JUN 2012**

	Options as at 1 Jan 2012	Lapsed	Options as at 30 Jun 2012
ESOS Grant 2001	–	–	–
ESOS Grant 2002	975,000	(975,000)	–
<b>TOTAL</b>	<b>975,000</b>	<b>(975,000)</b>	<b>–</b>

**SHARE OPTIONS AS AT 30 JUN 2011**

	Options as at 1 Jan 2011	Lapsed	Options as at 30 Jun 2011
ESOS Grant 2001	150,000	–	150,000
ESOS Grant 2002	975,000	–	975,000
<b>TOTAL</b>	<b>1,125,000</b>	<b>–</b>	<b>1,125,000</b>

**SHARE CAPITAL**

	<u>2012</u>		<u>2011</u>	
	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 <sup>(1)</sup>	40,000,000	7,200	–	–
<b>As at 30 Jun</b>	<b>568,613,759</b>	<b>147,238</b>	<b>528,613,759</b>	<b>140,038</b>

(1) 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 30 Jun 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 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.**

	<u>Group</u>		<u>Group</u>	
	2 <sup>nd</sup> quarter ended 30 Jun		Half year ended 30 Jun	
	2012	2011	2012	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)	(0.22)	(0.56)	0.14	(0.07)
(ii) On a fully diluted basis (in cents)	(0.22)	(0.56)	0.14	(0.07)

**Note**

The basic and diluted earnings per share calculation for the above are based on the following weighted average number of shares:

	<u>Group</u>		<u>Group</u>	
	2 <sup>nd</sup> quarter ended 30 Jun		Half year ended 30 Jun	
	2012	2011	2012	2011
Weighted average number of shares	568,613,759	528,613,759	554,108,264	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.**

	<u>Group</u>		<u>Company</u>	
	30 Jun 2012	31 Dec 2011 Audited	30 Jun 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:-	27.36 cents	28.06 cents	27.71 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.**

For the 2<sup>nd</sup> quarter under review, the Group has recorded revenue of S\$2.517 million, an increase of about 33% as compared to the same period of the previous year. The revenue were mainly derived from sales of Single Family Residential Units in the USA and rental income from four business hotels in Japan (Asagaya, Asakusa, Okayama and Matsuyama).

The increase in revenue was due to the contribution of one additional business hotel (Matsuyama) which was acquired in December 2011. Correspondingly, the gross profit has increased by about 102% to S\$1.688 million.

The Group's other losses of S\$0.271 million in the 2<sup>nd</sup> quarter 2012 were mainly attributed to unrealised foreign exchange losses of around S\$0.417 million resulting from the movement in the exchange rates of Japanese Yen and US dollars against Singapore dollars which was partially offset by gains on disposal of available-for-sale financial assets of S\$0.146 million.

The increase of 22.6% in administrative expenses to S\$1.786 million was incurred by Japan entities and the unrealised foreign translation loss of S\$0.417 million coupled with tax expense of S\$0.587 million for the quarter under review have resulted in an after-tax loss of S\$1.142 million. Nonetheless, the Group recorded an after-tax profit of S\$0.976 million for the first half of the year ended 30 June 2012.

The entire proceeds of the new share placement by the Company in February 2012 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 has been utilised in the acquisition of the Oiso project.

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 highlights for the quarter under review was the commencement of development on the condominium project designed for 85 apartment units in Oppama ("Oppama Project") and the purchase of a piece of land to build a 75-unit condominium project in Oiso ("Oiso Project").

The Oppama Project 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 Oiso Project is located about 60km to the South West 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 Q3 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.

On 25 May 2012, the Group has announced its proposed renounceable and non-underwritten rights issue of up to 284,306,880 new ordinary shares in the capital of the Company at an issue price of S\$0.08 for each rights share, on the basis of one (1) rights share for every two (2) existing ordinary shares in the capital of the Company held by entitled shareholders (fractional entitlements being disregarded). On 27 July 2012, 284,306,879 Rights Shares were issued pursuant to the Rights Issue, and that the Rights Shares were credited into the relevant Securities Accounts on or about 31 July 2012. The Rights Shares were listed and quoted on the Official List of the SGX-ST with effect from 9.00 a.m. on 1 August 2012. The estimated net proceeds after deducting estimated expenses of S\$330,000 amount to approximately S\$22,414,550.

**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.

**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 2<sup>nd</sup> quarter ended 30 June 2012 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

1 August 2012

**BY ORDER OF THE BOARD**

Lauw Hui Kian  
Director  
1 August 2012