

**IPC CORPORATION LTD**  
**(Company Registration No. 198501057M)**  
**3<sup>rd</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 3<sup>rd</sup> QUARTER ENDED 30 SEPTEMBER 2012**

	Group			Group		
	3 <sup>rd</sup> quarter ended 2012	3 <sup>rd</sup> quarter ended 2011	Increase/ (decrease) %	9 months ended 2012	9 months ended 2011	Increase/ (decrease) %
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	2,890	2,108	37.1	15,095	32,238	(53.2)
Cost of sales	(1,078)	(844)	27.7	(8,911)	(25,293)	(64.8)
Gross profit	1,812	1,264	43.4	6,184	6,945	(11.0)
Other income	226	124	82.3	605	344	75.9
Other (losses)/gains, net	(139)	(1,297)	(89.3)	886	(2,220)	NM
Expenses						
Distribution and marketing	(42)	(159)	(73.6)	(104)	(248)	(58.1)
Administrative	(1,449)	(1,212)	19.6	(4,644)	(4,420)	5.1
Finance	(387)	(252)	53.6	(1,139)	(753)	51.3
Other	-	-	NA	-	(1)	(100.0)
	(1,878)	(1,623)	15.7	(5,887)	(5,422)	8.6
Profit/(loss) before income tax	21	(1,532)	NM	1,788	(353)	NM
Income tax expense	(261)	(536)	(51.3)	(1,052)	(1,173)	(10.3)
(Loss)/profit for the period	(240)	(2,068)	(88.4)	736	(1,526)	NM
<b>Other comprehensive (loss)/income, net of tax</b>						
Financial assets, available-for-sale						
- Disposal	(8)	-	NA	(66)	-	NA
- Fair value gain/(loss)	276	(1,054)	NM	604	(1,256)	NM
Currency translation differences arising from consolidation	(1,156)	1,634	NM	(745)	74	NM
<b>Other comprehensive (loss)/income, net of tax</b>	(888)	580	NM	(207)	(1,182)	(82.5)
<b>Total comprehensive (loss)/income</b>	(1,128)	(1,488)	(24.2)	529	(2,708)	NM
<b>(Loss)/profit attributable to:</b>						
- Equity holders of the Company	(338)	(2,121)	(84.1)	432	(2,493)	NM
- Non-controlling interests	98	53	84.9	304	967	(68.6)
	(240)	(2,068)	(88.4)	736	(1,526)	NM
<b>Total comprehensive (loss)/income attributable to:</b>						
- Equity holders of the Company	(1,226)	(1,541)	(20.4)	225	(3,675)	NM
- Non-controlling interests	98	53	84.9	304	967	(68.6)
	(1,128)	(1,488)	(24.2)	529	(2,708)	NM

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

	Group 3 <sup>rd</sup> quarter ended 30 Sep			Group 9 months ended 30 Sep		
	2012 S\$'000	2011 S\$'000	Increase/ (decrease) %	2012 S\$'000	2011 S\$'000	Increase/ (decrease) %
Amortisation of leasehold properties	27	26	3.8	81	78	3.8
Depreciation (Note 7)	64	83	(22.9)	200	241	(17.0)
Foreign exchange losses/(gains), net (Note 8)	166	1,216	(86.3)	(513)	2,133	NM
Loss on disposal of non-current asset held-for-sale	–	76	(100.0)	–	76	(100.0)
Gain on disposal of financial assets, available-for-sale	(27)	–	NA	(373)	–	NA
Impairment loss of other asset	–	6	(100.0)	–	9	(100.0)
Interest income (Note 2)	(118)	(11)	NM	(190)	(56)	NM
Interest expenses (Note 6)	387	252	53.6	1,139	753	51.3
Dividend income (Note 2)	(57)	(39)	46.2	(198)	(41)	NM

#### Notes

1. Gross profit

The increase in gross profit for the 3<sup>rd</sup> quarter under review was in tandem with the increase in revenue which was mainly contributed by income from an additional business hotel (Matsuyama) and sale of properties in the USA.

2. Other income

The increase in other income was mainly due to the dividend income and interest income earned from financial assets, available-for-sale.

3. Other (losses)/gains, net

The decrease in other losses was mainly due to lower foreign exchange losses incurred.

4. Distribution and marketing expenses

The decrease was related to lower distribution and marketing expenses incurred in China.

5. Administrative expenses

The increase was mainly due to expenses incurred in Japan.

6. Finance expenses

The increase was mainly due to interest expenses incurred on additional borrowings.

7. Depreciation

The decrease was due to certain assets that have been fully depreciated.

8. The movement in the exchange rates of Japanese Yen and US Dollars against the Singapore Dollar during the 3<sup>rd</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.

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 Sep 2012	31 Dec 2011	30 Sep 2012	31 Dec 2011
	S\$'000	Audited S\$'000	S\$'000	Audited S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents (i)	70,377	58,411	55,693	38,952
Trade and other receivables (ii)	2,137	1,519	311	113
Tax recoverable	609	632	–	–
Properties held for sale (iii)	–	2,683	–	–
Properties developed for sale (iv)	20,263	25,547	–	–
Properties under development (v)	57,023	33,961	–	–
	<u>150,409</u>	<u>122,753</u>	<u>56,004</u>	<u>39,065</u>
<b>Non-current assets</b>				
Financial assets, available-for-sale (vi)	29,191	16,916	20,697	8,124
Other receivables	–	–	55,339	60,637
Prepayment (vii)	361	430	–	–
Other asset	150	150	–	–
Investment in associates	–	–	–	–
Investment in subsidiaries	–	–	72,748	59,786
Investment properties	64,778	68,904	–	–
Prepaid leasehold properties	3,877	4,176	–	–
Land held for development	6,515	6,515	6,515	6,515
Property, plant and equipment	6,862	7,299	203	240
Deferred income tax assets (viii)	3	5	–	–
	<u>111,737</u>	<u>104,395</u>	<u>155,502</u>	<u>135,302</u>
<b>Total assets</b>	<u>262,146</u>	<u>227,148</u>	<u>211,506</u>	<u>174,367</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Borrowings (ix)	38,859	25,250	33,335	23,631
Trade and other payables	6,005	6,066	1,295	825
Current income tax liabilities (x)	399	758	–	–
	<u>45,263</u>	<u>32,074</u>	<u>34,630</u>	<u>24,456</u>
<b>Non-current liabilities</b>				
Borrowings (ix)	32,847	39,567	–	–
Deferred income tax liabilities	3,810	3,704	–	–
	<u>36,657</u>	<u>43,271</u>	<u>–</u>	<u>–</u>
<b>Total liabilities</b>	<u>81,920</u>	<u>75,345</u>	<u>34,630</u>	<u>24,456</u>
<b>NET ASSETS</b>	<u>180,226</u>	<u>151,803</u>	<u>176,876</u>	<u>149,911</u>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	169,658	140,038	169,658	140,038
Currency translation reserve	(4,118)	(3,373)	–	–
Fair value reserve	852	314	264	(291)
Retained earnings	10,362	11,352	6,954	10,164
	<u>176,754</u>	<u>148,331</u>	<u>176,876</u>	<u>149,911</u>
<b>Non-controlling interests</b>	<u>3,472</u>	<u>3,472</u>	<u>–</u>	<u>–</u>
<b>Total equity</b>	<u>180,226</u>	<u>151,803</u>	<u>176,876</u>	<u>149,911</u>

## Notes

- (i) The increase was mainly contributed by the net proceeds from the issuance of shares pursuant to the Rights issue and partially offset by the purchase of financial assets, available-for-sale and properties in Japan.
- (ii) The increase was mainly due to deposit paid in Japan.
- (iii) The decrease was mainly due to sales of residential properties in USA.
- (iv) The decrease was due to the sales of condominium project in Tsukimino, Japan.
- (v) The increase was due to the purchase of condominium projects in Oppama and Oiso, Japan.
- (vi) The increase was due to purchase of financial assets, available-for-sale.
- (vii) The decrease was mainly due to the lower prepaid expenses in China.
- (viii) The decrease was due to deferred income taxation in Japan.
- (ix) The increase was mainly due to additional loans taken for projects in Japan.
- (x) 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 30 Sep 2012		As at 31 Dec 2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
38,859	Nil	25,250	Nil

#### Amount repayable after one year

<u>Group</u>		<u>Group</u>	
As at 30 Sep 2012		As at 31 Dec 2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
32,847	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		Group	
	3 <sup>rd</sup> quarter ended 30 Sep 2012 S\$'000	2011 S\$'000	9 months ended 30 Sep 2012 S\$'000	2011 S\$'000
<b>Cash flows from operating activities</b>				
(Loss)/profit for the period	(240)	(2,068)	736	(1,526)
Adjustments for				
- Income tax expense	261	536	1,052	1,173
- Depreciation	64	83	200	241
- Amortisation of prepaid leasehold properties	27	26	81	78
- Unrealised translation losses/(gains)	490	886	(553)	895
- Gain on disposal of financial assets, available-for-sale	(27)	-	(373)	-
- Loss on disposal of non-current asset held-for-sale	-	76	-	76
- Loss on disposal of property, plant and equipment	-	1	-	2
- Impairment loss of other asset	-	6	-	9
- Interest income	(118)	(11)	(190)	(56)
- Interest expenses	387	252	1,139	753
- Dividend income	(57)	(39)	(198)	(41)
	<u>787</u>	<u>(252)</u>	<u>1,894</u>	<u>1,604</u>
Change in working capital				
- Properties	(11,040)	649	(12,849)	15,591
- Trade and other receivables	(124)	(1,336)	483	(1,421)
- Trade and other payables	(370)	(879)	(61)	(10,539)
Cash (used in)/generated from operations	<u>(10,747)</u>	<u>(1,818)</u>	<u>(10,533)</u>	<u>5,235</u>
Interest received	118	11	190	56
Income tax paid, net	(146)	(51)	(1,050)	(605)
<b>Net cash (used in)/provided by operating activities (i)</b>	<u>(10,775)</u>	<u>(1,858)</u>	<u>(11,393)</u>	<u>4,686</u>
<b>Cash flows from investing activities</b>				
Deposit paid for purchase of investment properties	(1,031)	-	(1,031)	-
Purchases of property, plant and equipment	-	(2)	(2)	(2)
Proceeds from disposal of property, plant and equipment	-	-	-	39
Purchases of financial assets, available-for-sale	(9,053)	(8,201)	(13,802)	(8,201)
Proceeds from disposal of financial assets, available-for-sale	979	-	2,157	3,920
Proceeds from disposal of non-current asset held-for-sale	-	2,415	-	2,415
Dividends received	57	39	198	41
<b>Net cash used in investing activities</b>	<u>(9,048)</u>	<u>(5,749)</u>	<u>(12,480)</u>	<u>(1,788)</u>
<b>Cash flows from financing activities</b>				
Bank deposit (pledged)	(13,709)	(1,520)	(15,620)	3,713
Interest paid	(387)	(252)	(1,139)	(753)
Proceeds from borrowings (ii)	13,128	-	18,530	6,699
Repayment of borrowings	(1,093)	(141)	(7,658)	(20,747)
Proceeds from issuance of shares (iii)	22,745	-	29,945	-
Share issue expenses	(325)	-	(325)	-
Distribution to non-controlling interests	(126)	(54)	(304)	(3,186)
Dividends paid to equity holders of the Company	-	-	(1,422)	(1,322)
<b>Net cash provided by/(used in) financing activities</b>	<u>20,233</u>	<u>(1,967)</u>	<u>22,007</u>	<u>(15,596)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	410	(9,574)	(1,866)	(12,698)
Cash and cash equivalents at beginning of financial period	35,642	33,593	38,710	38,507
Effects of currency translation on cash and cash equivalents	(996)	60	(1,788)	(1,730)
<b>Cash and cash equivalents at end of financial period</b>	<u>35,056</u>	<u>24,079</u>	<u>35,056</u>	<u>24,079</u>

**Notes:**

- (i) The deficit in cash from operations was mainly related to the purchase of properties.
- (ii) The borrowing was taken for the project in Japan.
- (iii) Refer to page 7 – 1(d)(ii).
- (iv) For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	30 Sep 2012 S\$'000	30 Sep 2011 S\$'000
Cash and bank balances	70,377	50,576
Less: bank deposit pledged	(35,321)	(26,497)
<b>Cash and cash equivalents per consolidated statement of cash flows</b>	<u>35,056</u>	<u>24,079</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						
	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
<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 income for the period	–	411	270	770	1,451	206	1,657
Distribution to non-controlling interests	–	–	–	–	–	(178)	(178)
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
Issue of new shares	22,745	–	–	–	22,745	–	22,745
Share issue expenses	(325)	–	–	–	(325)	–	(325)
Total comprehensive (loss)/income for the period	–	(1,156)	268	(338)	(1,226)	98	(1,128)
Distribution to non-controlling interests	–	–	–	–	–	(126)	(126)
As at 30 Sep	169,658	(4,118)	852	10,362	176,754	3,472	180,226

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
<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	–	(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	140,048	(6,214)	(348)	5,211	138,687	2,454	141,141

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 for the period	–	256	1,603	1,859
Dividends paid	–	–	(1,422)	(1,422)
As at 30 Jun	147,238	(35)	10,345	157,548
Issue of new shares	22,745	–	–	22,745
Share issue expenses	(325)	–	–	(325)
Total comprehensive income/(loss) for the period	–	299	(3,391)	(3,092)
As at 30 Sep	169,658	264	6,954	176,876

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 loss for the period	–	(55)	(991)	(1,046)
Dividends paid	–	–	(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

- 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 2012**

	Options as at 1 Jan 2012	Lapsed	Options as at 30 Sep 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 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
<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	–	–
Issue of shares pursuant to Rights issue <sup>(2)</sup>	284,306,879	22,745	–	–
Share issue expenses <sup>(3)</sup>	–	(325)	–	–
<b>As at 30 Sep</b>	<b>852,920,638</b>	<b>169,658</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.

(2) On 27 July 2012, 284,306,879 new ordinary shares at an issue price of S\$0.08 for each ordinary share has been issued pursuant to the renounceable and non-underwritten Rights issue.

(3) The share issue expenses were incurred in relation to the renounceable and non-underwritten Rights issue.

- 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 2012 was 852,920,638 (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 is not expected to 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>	
	3 <sup>rd</sup> quarter ended 30 Sep	30 Sep	9 months ended 30 Sep	30 Sep
	2012	2011	2012	2011
(Losses)/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)	(0.04)	(0.40)	0.07	(0.47)
(ii) On a fully diluted basis (in cents)	(0.04)	(0.40)	0.07	(0.47)

**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>	
	3 <sup>rd</sup> quarter ended 30 Sep	30 Sep	9 months ended 30 Sep	30 Sep
	2012	2011	2012	2011
Weighted average number of shares	772,573,042	528,613,759	627,461,401	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 Sep 2012	31 Dec 2011 Audited	30 Sep 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:-	20.72 cents	28.06 cents	20.74 cents	28.36 cents
Number of existing issued shares excluding treasury shares at end of the financial period/year:	852,920,638	528,613,759	852,920,638	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 3<sup>rd</sup> quarter under review, the Group has recorded revenue of S\$2.890 million, an increase of about 37% as compared to the same period of the previous year. The revenue was 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 was attributed to the contribution from the additional business hotel (Matsuyama) which was acquired in December 2011. Correspondingly, the gross profit has increased by about 43% to S\$1.812 million.

The Group's other losses of S\$0.139 million in the 3<sup>rd</sup> quarter 2012 were mainly attributed to unrealised foreign exchange losses of around S\$0.166 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 financial assets, available-for-sale of S\$0.027 million.

The increase of 19.6% in administrative expenses to S\$1.449 million was incurred by Japan entities and the unrealised foreign translation loss of S\$0.166 million coupled with tax expense of S\$0.261 million for the quarter under review have resulted in an after-tax loss of S\$0.240 million. Nonetheless, the Group recorded an after-tax profit of S\$0.736 million for the cumulative 9 months ended 30 September 2012.

For the quarter under review, the Company has successfully completed the renounceable and non-underwritten Rights issue of 284,306,979 new ordinary shares in the capital of the Company at an issue price of S\$0.08 for each Rights share. The net proceeds from the Rights issue after deducting expenses payable is approximately S\$22.42 million. The Company intends to utilize the net proceeds of the Rights issue for general working capital purposes of the Group and to enable the Group's expansion of potential acquisition of properties in countries where the Group operates in. As at date of reporting, the proceeds has not been utilised.

As an update, the 2 condominium development projects in Japan; namely Oppama and Oiso are in progress and are within the development schedule to be completed by Q2 2013 and Q3 2013 respectively. Details of the 2 projects were previously announced on 31 January 2012 and 17 May 2012 respectively.

**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 the fifth business hotel in Kumamoto, Kumamoto Prefecture, Japan. The acquisition cost could not be disclosed as there is a non-disclosure agreement made with the seller. The purchase shall be fully funded by internal resources of the Group, in particular from part of the net proceeds of the Rights issue which was completed in July 2012. The purchase and hand-over of the hotel to the Group is estimated to be completed by 30 November 2012. The hotel is currently operated under the name of Chisun Hotel Kumamoto ("Kumamoto Hotel"). The Company has engaged Green Hospitality Management ("GHM"), a fully owned subsidiary of the Green House to manage the Kumamoto Hotel on management contract basis.

The Kumamoto Hotel is located within Kumamoto City which is the 20<sup>th</sup> government-decreed city located in Kyushu Island and has 10-storeys with 201 guest rooms.

The Single Family Residential ("SFR") units in the USA has been fully sold in the current quarter and that the special purpose company previously set up to carry out the buy-sell activity of SFR units in USA has been voluntarily liquidated in October 2012 as there is no immediate plan to continue in the buy-sale of foreclosure properties.

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/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 3<sup>rd</sup> quarter ended 30 September 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

30 October 2012

**BY ORDER OF THE BOARD**

Lauw Hui Kian  
Director  
30 October 2012