

IPC CORPORATION LTD
(Company Registration No. 198501057M)
2nd 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 2nd QUARTER ENDED 30 JUNE 2013**

	Group			Group		
	2 nd quarter ended 30 Jun		Increase/ (decrease) %	Half year ended 30 Jun		Increase/ (decrease) %
2013	2012	2013		2012		
	S\$'000	S\$'000		S\$'000	S\$'000	
Sales	23,687	2,517	NM	26,284	12,205	NM
Cost of sales	(20,002)	(829)	NM	(20,849)	(7,833)	NM
Gross profit	3,685	1,688	NM	5,435	4,372	24.3
Other income	380	218	74.3	722	379	90.5
Other gains/(losses), net	4,772	(271)	NM	10,405	1,025	NM
Expenses						
Distribution and marketing	(33)	(32)	3.1	(60)	(62)	(3.2)
Administrative	(2,223)	(1,786)	24.5	(4,274)	(3,195)	33.8
Finance	(317)	(372)	(14.8)	(680)	(752)	(9.6)
Other	-	-	-	(4)	-	NA
	(2,573)	(2,190)	17.5	(5,018)	(4,009)	25.2
Profit/(loss) before income tax	6,264	(555)	NM	11,544	1,767	NM
Income tax expense	(709)	(587)	20.8	(1,267)	(791)	60.2
Total profit/(loss)	5,555	(1,142)	NM	10,277	976	NM
Other comprehensive (loss)/income, net of tax						
Financial assets, available-for-sale						
- Disposal	(38)	(78)	(51.3)	(295)	(58)	NM
- Fair value (loss)/gain	(36)	(99)	(63.6)	18	328	(94.5)
Currency translation differences arising from consolidation	(2,315)	1,848	NM	(9,027)	411	NM
Other comprehensive (loss)/income, net of tax	(2,389)	1,671	NM	(9,304)	681	NM
Total comprehensive income	3,166	529	NM	973	1,657	(41.3)
Profit/(loss) attributable to:						
- Equity holders of the Company	5,454	(1,240)	NM	10,052	770	NM
- Non-controlling interests	101	98	3.1	225	206	9.2
	5,555	(1,142)	NM	10,277	976	NM
Total comprehensive income attributable to:						
- Equity holders of the Company	3,065	431	NM	748	1,451	(48.4)
- Non-controlling interests	101	98	3.1	225	206	9.2
	3,166	529	NM	973	1,657	(41.3)

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

	Group 2 nd quarter ended 30 Jun			Group Half year ended 30 Jun		
	2013 S\$'000	2012 S\$'000	Increase/ (decrease) %	2013 S\$'000	2012 S\$'000	Increase/ (decrease) %
Amortisation of leasehold properties (Note 7)	18	27	(33.3)	36	54	(33.3)
Depreciation	63	69	(8.7)	163	136	19.9
Fair value gain on asset revaluation (Note 3)	(2,303)	–	NA	(4,020)	–	NA
Foreign exchange (gains)/losses, net (Note 8)	(2,392)	417	NM	(6,097)	(679)	NM
Gain on disposal of financial assets, available-for-sale (Note 9)	(80)	(146)	(45.2)	(440)	(346)	27.2
Loss on disposal of other assets	3	–	NA	152	–	NA
Interest income (Note 2)	(334)	(50)	NM	(591)	(72)	NM
Interest expenses (Note 5)	317	372	(14.8)	680	752	(9.6)
Dividend income (Note 10)	–	(64)	(100)	(36)	(141)	(74.5)

Notes

1. Gross profit

The increase in gross profit for the 2nd quarter under review was in tandem with the increase in sales which was mainly contributed by additional business hotels and sale of completed apartment units in Oppama, Japan.

2. Other income

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

3. Other gains and (losses), net

Other gains for the 2nd quarter ended 2013 were mainly contributed by increase in unrealised foreign exchange gains, net (refer to Note 8) and fair value gain on asset revaluation on the investment property acquired in Japan in the period under review.

4. Administrative expenses

The increase was mainly due to expenses incurred in Japan.

5. Finance expenses

The decrease was mainly due to lower interest expenses incurred on borrowings in Japan and part of the borrowing interest was capitalised in China.

6. Income tax expense

The increase related to income tax expense in Japan.

7. The decrease was related to amortisation expenses incurred in China.

8. The movement in the exchange rates of Japanese Yen and US Dollars against the Singapore Dollar during the 2nd quarter under review compared to the same period of 2012 resulted in foreign exchange gain. 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.

9. The decrease was mainly due to lesser gain on disposal of financial asset, available-for-sale for the 2nd quarter ended 2013.

10. The decrease for the 2nd quarter ended 2013 was due to no dividend income earned for the financial asset, available-for-sale as compared to the same period of the previous year.

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 2013	31 Dec 2012 Audited	30 Jun 2013	31 Dec 2012 Audited
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents (i)	81,354	67,408	59,639	52,708
Trade and other receivables (ii)	2,320	6,115	434	277
Inventories	–	32	–	–
Tax recoverable (iii)	1,353	1,131	–	–
Properties developed for sale	19,541	20,264	–	–
Properties under development	57,620	60,729	–	–
	<u>162,188</u>	<u>155,679</u>	<u>60,073</u>	<u>52,985</u>
Non-current assets				
Financial assets, available-for-sale (iv)	22,082	31,715	13,185	23,122
Other receivables	–	–	58,238	55,433
Prepayment (v)	267	322	–	–
Other asset	156	156	–	–
Investment in associated companies	–	–	–	–
Investment in subsidiaries	–	–	102,534	89,608
Investment properties (vi)	77,305	65,288	–	–
Prepaid leasehold properties	4,151	3,896	–	–
Land held for development	6,422	6,422	6,422	6,422
Property, plant and equipment (vii)	6,993	15,962	166	191
Deferred income tax assets (viii)	13	9	–	–
	<u>117,389</u>	<u>123,770</u>	<u>180,545</u>	<u>174,776</u>
Total assets	<u>279,577</u>	<u>279,449</u>	<u>240,618</u>	<u>227,761</u>
LIABILITIES				
Current liabilities				
Borrowings	58,292	55,692	51,838	45,367
Trade and other payables (ix)	8,465	11,338	225	729
Current income tax liabilities	361	353	–	–
	<u>67,118</u>	<u>67,383</u>	<u>52,063</u>	<u>46,096</u>
Non-current liabilities				
Borrowings	30,737	29,571	–	–
Deferred income tax liabilities (x)	4,183	3,635	–	–
	<u>34,920</u>	<u>33,206</u>	<u>–</u>	<u>–</u>
Total liabilities	<u>102,038</u>	<u>100,589</u>	<u>52,063</u>	<u>46,096</u>
NET ASSETS	<u>177,539</u>	<u>178,860</u>	<u>188,555</u>	<u>181,665</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	169,658	169,658	169,658	169,658
Currency translation reserve	(19,589)	(10,562)	–	–
Fair value reserve	1,192	1,469	595	794
Retained earnings	23,426	15,506	18,302	11,213
	<u>174,687</u>	<u>176,071</u>	<u>188,555</u>	<u>181,665</u>
Non-controlling interests	<u>2,852</u>	<u>2,789</u>	<u>–</u>	<u>–</u>
Total equity	<u>177,539</u>	<u>178,860</u>	<u>188,555</u>	<u>181,665</u>

Notes

- (i) The increase in cash and cash equivalents was mainly attributable to the proceeds from the disposal of financial assets, available-for-sale, refund of advance payment from third party and receipt from the sale of apartment units in Oppama, Japan.
- (ii) The decrease was due to refund of advance payment in China.
- (iii) The increase was due to the tax recoverable in Japan.
- (iv) The decrease was mainly due to disposal of financial assets, available-for-sale.
- (v) The decrease was due to expense off the prepayment in China.
- (vi) The increase was mainly due to the purchase of business hotel and transfer of property, plant and equipment to investment property in Japan.
- (vii) The decrease was mainly attributable to the transfer of property, plant and equipment to investment property in Japan.
- (viii) The increase was due to deferred income tax assets in Japan.
- (ix) The decrease was mainly due to the payment for the construction cost of the Oppama condominium project in Japan.
- (x) The increase was due to deferred income tax liabilities in Japan.

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> As at 30 Jun 2013		<u>Group</u> As at 31 Dec 2012	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
58,292	Nil	55,692	Nil

Amount repayable after one year

<u>Group</u> As at 30 Jun 2013		<u>Group</u> As at 31 Dec 2012	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
30,737	Nil	29,571	Nil

Details of any collateral

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

- 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	
	2 nd quarter ended 30 Jun 2013	2012	Half year ended 30 Jun 2013	2012
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total profit/(loss)	5,555	(1,142)	10,277	976
Adjustments for				
- Income tax expense	709	587	1,267	791
- Depreciation	63	69	163	136
- Amortisation of prepaid leasehold properties	18	27	36	54
- Unrealised translation (gains)/losses	(2,899)	665	(6,082)	(1,043)
- Gain on disposal of financial assets, available-for-sale	(80)	(146)	(440)	(346)
- Loss on disposal of other assets	3	-	152	-
- Fair value gain on asset valuation	(2,303)	-	(4,020)	-
- Interest income	(334)	(50)	(591)	(72)
- Interest expenses	317	372	680	752
- Dividend income	-	(64)	(36)	(141)
	1,049	318	1,406	1,107
Change in working capital				
- Inventories	-	-	32	-
- Properties	12,200	(2,754)	(1,082)	(1,809)
- Trade and other receivables	(422)	540	3,704	607
- Trade and other payables	(10,244)	1,174	(2,873)	309
Cash generated from/(used in) operations	2,583	(722)	1,187	214
Interest received	356	50	490	72
Income tax paid, net	(146)	(456)	(302)	(904)
Net cash provided by/(used in) operating activities	2,793	(1,128)	1,375	(618)
Cash flows from investing activities				
Purchases of financial assets, available-for-sale	(1,067)	(4,749)	(2,567)	(4,749)
Purchases of investment property	(7,198)	-	(7,198)	-
Purchases of property, plant and equipment	-	-	-	(2)
Proceeds from disposal of financial assets, available-for-sale	3,066	925	12,745	1,178
Dividends received	-	64	36	141
Net cash (used in)/provided by investing activities	(5,199)	(3,760)	3,016	(3,432)
Cash flows from financing activities				
Bank deposit (pledged)	(7,635)	(2,795)	(9,923)	(1,911)
Interest paid	(317)	(372)	(680)	(752)
Proceeds from borrowings (i)	11,966	2,620	17,731	5,402
Repayment of borrowings	(4,858)	(1,221)	(5,737)	(6,565)
Proceeds from issuance of shares	-	-	-	7,200
Distribution to non-controlling interests	(51)	(81)	(162)	(178)
Dividends paid to equity holders of the Company	(2,132)	(1,422)	(2,132)	(1,422)
Net cash (used in)/provided by financing activities	(3,027)	(3,271)	(903)	1,774
Net (decrease)/increase in cash and cash equivalents	(5,433)	(8,159)	3,488	(2,276)
Cash and cash equivalents at beginning of financial period	36,388	43,453	27,201	38,710
Effects of currency translation on cash and cash equivalents	268	348	534	(792)
Cash and cash equivalents at end of financial period	31,223	35,642	31,223	35,642

Notes:

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

	30 Jun 2013	30 Jun 2012
	S\$'000	S\$'000
Cash and bank balances	81,354	57,254
Less: bank deposit pledged	(50,131)	(21,612)
Cash and cash equivalents per consolidated statement of cash flows	31,223	35,642

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						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	Non-controlling interests S\$'000	
2013							
As at 1 Jan	169,658	(10,562)	1,469	15,506	176,071	2,789	178,860
Total comprehensive (loss)/income for the period	–	(6,712)	(203)	4,598	(2,317)	124	(2,193)
Distribution to non-controlling interests	–	–	–	–	–	(111)	(111)
As at 31 Mar	169,658	(17,274)	1,266	20,104	173,754	2,802	176,556
Total comprehensive (loss)/income for the period	–	(2,315)	(74)	5,454	3,065	101	3,166
Distribution to non-controlling interests	–	–	–	–	–	(51)	(51)
Dividends paid	–	–	–	(2,132)	(2,132)	–	(2,132)
As at 30 Jun	169,658	(19,589)	1,192	23,426	174,687	2,852	177,539

STATEMENT OF CHANGES IN EQUITY – GROUP	Attributable to Equity Holders of the Company						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	Non-controlling interests S\$'000	
2012							
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 – COMPANY

	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
2013				
As at 1 Jan	169,658	794	11,213	181,665
Total comprehensive (loss)/income for the period	–	(158)	5,126	4,968
As at 31 Mar	169,658	636	16,339	186,633
Total comprehensive (loss)/income for the period	–	(41)	4,095	4,054
Dividends paid	–	–	(2,132)	(2,132)
As at 30 Jun	169,658	595	18,302	188,555

STATEMENT OF CHANGES IN EQUITY – COMPANY

	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
2012				
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

- 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 2002	975,000	(975,000)	–
TOTAL	975,000	(975,000)	–

There are no outstanding share options as at 30 June 2013.

SHARE CAPITAL

	<u>2013</u>		<u>2012</u>	
	Number of shares	S\$'000	Number of shares	S\$'000
As at 1 Jan	852,920,638	169,658	528,613,759	140,038
Issue of shares pursuant to placement	–	–	40,000,000	7,200
As at 30 Jun	852,920,638	169,658	568,613,759	147,238

- 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 2013 was 852,920,638 (31 Dec 2012: 852,920,638). 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 2012, 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 2013, the Group adopted the FRS 113 Fair Value Measurement. 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 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> 2 nd quarter ended 30 Jun			<u>Group</u> Half year ended 30 Jun		
	2013	2012 (Restated)	2012	2013	2012 (Restated)	2012
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)	0.64	(0.19)*	(0.22)	1.18	0.12*	0.14
(ii) On a fully diluted basis (in cents)	0.64	(0.19)*	(0.22)	1.18	0.12*	0.14

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> 2 nd quarter ended 30 Jun			<u>Group</u> Half year ended 30 Jun		
	2013	2012 (Restated)	2012	2013	2012 (Restated)	2012
Weighted average number of shares	852,920,638	638,349,409*	568,613,759	852,920,638	622,064,939*	554,108,264

*In July 2012, the Company issued and allotted 284,306,879 new ordinary shares in the capital of the Company pursuant to the renounceable and non-underwritten Rights Issue on the basis of one Rights Share for every two existing ordinary shares in the capital of the Company. The Rights Shares were offered at S\$0.08 per share and represented a discount to the fair value of existing shares. The number of shares used for prior period calculation of earnings per share was adjusted for the discounted Rights Issue in order to provide a comparable basis for the current year.

**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 2013	31 Dec 2012 Audited	30 Jun 2013	31 Dec 2012 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:-	20.48 cents	20.64 cents	22.11 cents	21.30 cents
Number of existing issued shares excluding treasury shares at end of the financial period/year:	852,920,638	852,920,638	852,920,638	852,920,638

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 increased to S\$23.687 million for the 2nd quarter ended 30 June 2013 when compared to S\$2.517 million recorded for the same period of the previous year. The sales for Q2 FY2013 were mainly derived from income of business hotels in Japan and sales of completed apartment units in Oppama, Japan.

The increase in sales of Q2 FY2013 vs Q2 FY2012 was attributed to the followings from Japan:

- i) completed apartment units (Oppama project) available for sale in Q2 FY2013
- ii) contribution from the fifth business hotel – nest HOTEL Kumamoto and sixth business hotel – Resol HOTEL Sapporo, where completion of purchase were in Q4 FY2012; and
- iii) contribution from the seventh business hotel, nest HOTEL Sapporo ekimae, where completion of purchase was on 1st May 2013.

Correspondingly, gross profit has increased by 118.3% to S\$3.685 million as compared to S\$1.688 million of the same quarter last year.

The Group's other gains of S\$4.772 million were mainly attributed to unrealised foreign exchange gains of S\$2.392 million resulting from the weakening of exchange rate of Japanese Yen against Singapore dollars on the Group's Japanese Yen loans, gains of S\$2.303 million from the revaluation of investment property in Japan and other gains.

The gross profit of S\$3.685 million coupled with other gains and other income have resulted a Group profit before tax of S\$6.264 million and an after-tax profit of S\$5.555 million for the 2nd quarter ended 30 June 2013.

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

The commentary under paragraph 10 of the Group's previous results announcement (Q1 FY2013) and the actual results are in line with the commentary.

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 eighth business hotel in Naha, Okinawa, in Japan. The hotel is currently being operated under the name of Okinawa Port Hotel ("Okinawa Hotel"). Completion of the purchase and delivery of the hotel to the Company was on 1 July 2013. The Okinawa Hotel, a 10-storey building with 193 guest rooms, is leased to Nest HOTEL Japan Corporation ("NHJ") with a fixed term and shall be renamed as "nest HOTEL naha" at a later date.

For the current Q3, sales are ongoing for the completed units from the Oppama project.

The Group is working towards the completion of condominium project in Oiso, Japan by Q4 FY2013.

Concurrently, work is in progress to furnish a boutique hotel under its own brand, Grand nest, in Zhuhai, PRC of over 200 rooms and completion is expected to be in Q4 FY2013.

The Group is continuously seeking and evaluating opportunities to expand its hotel portfolio in Japan, China and other countries.

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 2nd quarter ended 30 June 2013 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 July 2013

BY ORDER OF THE BOARD

Lauw Hui Kian
Director
31 July 2013