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

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

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

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR 3rd QUARTER ENDED 30 SEPTEMBER 2013

	Group 3rd quarter ended 30 Sep			Group 9 months ended 30 Sep		
	2013 S$'000	2012 S$'000	Increase/ (decrease) %	2013 S$'000	2012 S$'000	Increase/ (decrease) %
Sales	3,487	2,890	20.7	29,771	15,095	97.2
Cost of sales	(346)	(1,078)	(67.9)	(21,195)	(8,911)	NM
Gross profit	3,141	1,812	73.3	8,576	6,184	38.7
Other income	292	226	29.2	1,014	605	67.6
Other gains/(losses), net	354	(139)	NM	10,759	886	NM
Expenses						
Distribution and marketing	(44)	(42)	4.8	(104)	(104)	0
Administrative	(1,537)	(1,449)	6.1	(5,811)	(4,644)	25.1
Finance	(474)	(387)	22.5	(1,154)	(1,139)	1.3
Other	–	–	–	(4)	–	NA
	(2,055)	(1,878)	9.4	(7,073)	(5,887)	20.1
Profit before income tax	1,732	21	NM	13,276	1,788	NM
Income tax expense	(1,187)	(261)	NM	(2,454)	(1,052)	NM
Total profit/(loss)	545	(240)	NM	10,822	736	NM
Other comprehensive (loss)/income, net of tax						
Financial assets, available-for-sale						
- Disposal	(80)	(8)	NM	(375)	(66)	NM
- Fair value gain	66	276	(76.1)	84	604	(86.1)
Currency translation differences arising from consolidation	4,804	(1,156)	NM	(4,223)	(745)	NM
Other comprehensive income/(loss), net of tax	4,790	(888)	NM	(4,514)	(207)	NM
Total comprehensive income/(loss)	5,335	(1,128)	NM	6,308	529	NM
Profit/(loss) attributable to:						
- Equity holders of the Company	401	(338)	NM	10,453	432	NM
- Non-controlling interests	144	98	46.9	369	304	21.4
	545	(240)	NM	10,822	736	NM
Total comprehensive income/(loss) attributable to:						
- Equity holders of the Company	5,191	(1,226)	NM	5,939	225	NM
- Non-controlling interests	144	98	46.9	369	304	21.4
	5,335	(1,128)	NM	6,308	529	NM

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

	Group 3rd quarter ended 30 Sep			Group 9 months ended 30 Sep		
	2013 S$'000	2012 S$'000	Increase/ (decrease) %	2013 S$'000	2012 S$'000	Increase/ (decrease) %
Amortisation of leasehold properties (Note 6)	19	27	(29.6)	55	81	(32.1)
Depreciation	59	64	(7.8)	222	200	11.0
Fair value gain on asset revaluation (Note 3)	(2,391)	-	NA	(6,411)	-	NA
Foreign exchange losses/(gains), net (Note 7)	2,122	166	NM	(3,975)	(513)	NM
Gain on disposal of financial assets,available-for-sale (Note 8)	(86)	(27)	NM	(526)	(373)	41.0
Loss on disposal of other assets	1	-	NA	153	-	NA
Interest income (Note 2)	(237)	(118)	NM	(828)	(190)	NM
Interest expenses (Note 4)	474	387	22.5	1,154	1,139	1.3
Dividend income (Note 9)	-	(57)	(100)	(36)	(198)	(81.8)

Notes

1. Gross profit
   The increase in gross profit for the 3rd quarter under review was in tandem with the increase in revenue which was mainly contributed by income from additional business hotels (Kumamoto, Sapporo and Okinawa) and sale of completed apartment units in Oppama, Japan.

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

3. Other gains/ (losses), net
   Other gains for the 3rd quarter ended 2013 were mainly contributed by fair value gain on asset revaluation on the investment property acquired in Japan, net off with unrealised foreign exchange loss in the period under review.

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

5. Income tax expense
   The increase was mainly related to income tax expense in Japan.

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

7. The movement in the exchange rates of Japanese Yen against the Singapore Dollar during the 3rd quarter under review compared to the same period of 2012 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.

8. The increase was mainly due to gain on disposal of financial asset, available-for-sale.

9. The decrease for the 3rd 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

	Group		Company	
	30 Sep 2013	31 Dec 2012 Audited	30 Sep 2013	31 Dec 2012 Audited
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Current assets				
Cash and cash equivalents (i)	93,979	67,408	65,975	52,708
Trade and other receivables (ii)	3,247	6,115	349	277
Inventories	-	32	–	–
Tax recoverable (iii)	1,772	1,131	–	–
Properties developed for sale	19,970	20,264	–	–
Properties under development (iv)	70,115	60,729	–	–
	189,083	155,679	66,324	52,985
Non-current assets				
Financial assets, available-for-sale (v)	21,379	31,715	12,506	23,122
Other receivables	-	–	58,097	55,433
Prepayment (vi)	230	322	–	–
Other asset	156	156	–	–
Investment in associated companies	-	–	–	–
Investment in subsidiaries	-	–	104,135	89,608
Investment properties (vii)	94,554	65,288	–	–
Prepaid leasehold properties	4,118	3,896	–	–
Land held for development	6,422	6,422	6,422	6,422
Property, plant and equipment (viii)	6,918	15,962	154	191
Deferred income tax assets (ix)	6	9	-	–
	133,783	123,770	181,314	174,776
Total assets	322,866	279,449	247,638	227,761
LIABILITIES				
Current liabilities				
Borrowings (x)	67,975	55,692	60,295	45,367
Trade and other payables (xi)	14,351	11,338	225	729
Current income tax liabilities	358	353	–	–
	82,684	67,383	60,520	46,096
Non-current liabilities				
Borrowings (x)	52,327	29,571	–	–
Deferred income tax liabilities (xii)	5,064	3,635	–	–
	57,391	33,206	–	–
Total liabilities	140,075	100,589	60,520	46,096
NET ASSETS	182,791	178,860	187,118	181,665
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	169,658	169,658	169,658	169,658
Currency translation reserve	(14,785)	(10,562)	-	–
Fair value reserve	1,178	1,469	585	794
Retained earnings	23,827	15,506	16,875	11,213
	179,878	176,071	187,118	181,665
Non-controlling interests	2,913	2,789	-	–
Total equity	182,791	178,860	187,118	181,665

Notes

(i) The increase in cash and cash equivalents was mainly attributable to the proceeds from the disposal of financial assets, available-for-sale 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 increase was due to the condominium project in Oiso, Japan.

(v) The decrease was mainly due to disposal of financial assets, available-for-sale.

(vi) The decrease was due to the utilisation of prepayment in China.

(vii) The increase was mainly due to the purchase of business hotel and transfer of property, plant and equipment to investment property in Japan.

(viii) The decrease was mainly attributable to the transfer of property, plant and equipment to investment property in Japan.

(ix) The decrease was due to deferred income tax assets in Japan.

(x) The increase was mainly due to additional loans taken for projects in Japan.

(xi) The increase was mainly due to the accrual of construction cost for the condominium project in Oiso, Japan.

(xii) 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

Group		Group	
As at 30 Sep 2013		As at 31 Dec 2012	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
61,975	6,000	55,692	Nil

Amount repayable after one year

Group		Group	
As at 30 Sep 2013		As at 31 Dec 2012	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
52,327	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, 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	
	3rd quarter ended 30 Sep		9 months ended 30 Sep	
	2013	2012	2013	2012
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
Total profit/ (loss)	545	(240)	10,822	736
Adjustments for				
- Income tax expense	1,187	261	2,454	1,052
- Depreciation	59	64	222	200
- Amortisation of prepaid leasehold properties	19	27	55	81
- Unrealised translation losses/ (gains)	2,498	490	(3,584)	(553)
- Gain on disposal of financial assets, available-for-sale	(86)	(27)	(526)	(373)
- Loss on disposal of other assets	1	–	153	–
- Fair value gain on asset valuation	(2,391)	–	(6,411)	–
- Interest income	(237)	(118)	(828)	(190)
- Interest expenses	474	387	1,154	1,139
- Dividend income	-	(57)	(36)	(198)
	2,069	787	3,475	1,894
Change in working capital				
- Inventories	-	-	32	-
- Properties	(10,345)	(11,040)	(11,427)	(12,849)
- Trade and other receivables	(1,314)	(124)	2,390	483
- Trade and other payables	5,886	(370)	3,013	(61)
Cash (used in)/generated from operations	(3,704)	(10,747)	(2,517)	(10,533)
Interest received	244	118	734	190
Income tax paid, net	(327)	(146)	(629)	(1,050)
Net cash (used in)/provided by operating activities (i)	(3,787)	(10,775)	(2,412)	(11,393)
Cash flows from investing activities				
Deposit paid for purchase of investment properties	-	(1,031)	-	(1,031)
Purchases of property, plant and equipment	-	-	-	(2)
Purchases of financial assets, available-for-sale	(602)	(9,053)	(3,169)	(13,802)
Purchase of investment properties	(14,470)	-	(21,668)	-
Proceeds from disposal of financial assets, available-for-sale	1,357	979	14,102	2,157
Dividends received	-	57	36	198
Net cash (used in)/ provided by investing activities	(13,715)	(9,048)	(10,699)	(12,480)
Cash flows from financing activities				
Bank deposit (pledged)	(1,712)	(13,709)	(11,635)	(15,620)
Interest paid	(474)	(387)	(1,154)	(1,139)
Proceeds from borrowings (ii)	38,204	13,128	55,935	18,530
Repayment of borrowings	(7,443)	(1,093)	(13,180)	(7,658)
Proceeds from issuance of shares(iii)	-	22,745	-	29,945
Share issue expenses	-	(325)	-	(325)
Distribution to non-controlling interests	(83)	(126)	(245)	(304)
Dividends paid to equity holders of the Company	-	-	(2,132)	(1,422)
Net cash (used in)/ provided by financing activities	28,492	20,233	27,589	22,007
Net increase/(decrease) in cash and cash equivalents	10,990	410	14,478	(1,866)
Cash and cash equivalents at beginning of financial period	31,223	35,642	27,201	38,710
Effects of currency translation on cash and cash equivalents	(76)	(996)	458	(1,788)
Cash and cash equivalents at end of financial period	42,137	35,056	42,137	35,056

Notes:

(i) The deficit in cash from operations was mainly related to the projects in Japan.

(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 2013	30 Sep 2012
	S$'000	S$'000
Cash and bank balances	93,979	70,377
Less: bank deposit pledged	(51,842)	(35,321)
Cash and cash equivalents per consolidated statement of cash flows	42,137	35,056

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
2013							
As at 1 Jan	169,658	(10,562)	1,469	15,506	176,071	2,789	178,860
Total comprehensive income/(loss) for the period	–	(9,027)	(277)	10,052	748	225	973
Distribution to non-controlling interests	–	–	–	–	–	(162)	(162)
Dividends	–	–	–	(2,132)	(2,132)	-	(2,132)
As at 30 Jun	169,658	(19,589)	1,192	23,426	174,687	2,852	177,539
Total comprehensive income/(loss) for the period	–	4,804	(14)	401	5,191	144	5,335
Distribution to non-controlling interests	–	–	–	–	–	(83)	(83)
As at 30 Sep	169,658	(14,785)	1,178	23,827	179,878	2,913	182,791

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
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 income/(loss) 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 income/(loss) 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 – 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 income/(loss) for the period	–	(199)	9,221	9,022
Dividends paid	–	–	(2,132)	(2,132)
As at 30 Jun	169,658	595	18,302	188,555
Total comprehensive income/(loss) for the period	–	(10)	(1,427)	(1,437)
As at 30 Sep	169,658	585	16,875	187,118

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	–	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

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

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

SHARE CAPITAL

	2013		2012	
	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 (1)	–	–	40,000,000	7,200
Issue of shares pursuant to Rights issue (2)	–	–	284,306,879	22,745
Share issue expenses (3)	–	–	–	(325)
As at 30 Sep	852,920,638	169,658	852,920,638	169,658

(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 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.

		Group 3rd quarter ended 30 Sep			Group 9 months ended 30 Sep		
		2013	2012 (Restated)	2012	2013	2012 (Restated)	2012
	Earnings/ (losses) 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)	0.05	(0.04)*	(0.04)	1.23	0.06*	0.07
(ii)	On a fully diluted basis (in cents)	0.05	(0.04)*	(0.04)	1.23	0.06*	0.07

Note

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

	Group 3rd quarter ended 30 Sep			Group 9 months ended 30 Sep		
	2013	2012 *(Restated)*	2012	2013	2012 *(Restated)*	2012
Weighted average number of shares	852,920,638	799,277,831*	772,573,042	852,920,638	681,567,078*	627,461,401

*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.

	Group		Company	
	30 Sep 2013	31 Dec 2012 Audited	30 Sep 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:-	21.09 cents	20.64 cents	21.94 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$3.487 million for the 3rd quarter ended 30 September 2013 when compared to S$2.890 million recorded for the same period of the previous year. The sales for Q3 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 Q3 FY2013 vs Q3 FY2012 was attributed to the following from Japan:
i) completed apartment units (Oppama project) available for sale since 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.
iv) contribution from the eighth business hotel, nest HOTEL naha, where completion of purchase was on 1st July 2013.

Correspondingly, gross profit has increased by 73.3% to S$3.141 million as compared to S$1.812 million of the same quarter last year.

The Group's other gains of S$0.354 million were mainly attributed to gains of S$2.391 million from the revaluation of investment property in Japan and other gains after off setting unrealised foreign exchange losses of S$2.122 million resulting from the strengthening of exchange rate of Japanese Yen against Singapore dollars on the Group's Japanese Yen loans.

The gross profit of S$3.141 million coupled with other gains and other income have resulted a Group profit before tax of S$1.732 million and an after-tax profit of S$0.545 million for the 3rd quarter ended 30 September 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 (Q2 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 ("Okinawa Hotel"), in Japan. Completion of the purchase and delivery of the hotel to the Company was on 1st 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 has been renamed as "nest HOTEL naha" on 1st October 2013.

The Group has on 11 October 2013 made an announcement that it has purchased the ninth business hotel in Osaka, Japan. The hotel is currently being operated under the name of Chisun Hotel Shinsaibashi ("Osaka Hotel"). The Osaka Hotel, a 13-storey building, has 302 guest rooms, and shall be renamed as "nest HOTEL osaka shinsaibashi" in February 2014.

For the current Q4, 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 3rd quarter ended 30 September 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 October 2013

BY ORDER OF THE BOARD

Lauw Hui Kian
Director
31 October 2013