Financial Statements and Related Announcement::Third Quarter Results

Issuer & Securities

Issuer/ Manager	IPC CORPORATION LTD				
Securities	IPC CORPORATION LIMITED - SG1Q73923472 - I12				
Stapled Security	No				

Announcement Details

Announcement Title	Financial Statements and Related Announcement
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Announcement Sub Title	Third Quarter Results
Announcement Reference	SG1410300THRR700
Submitted By (Co./ Ind. Name)	Lauw Hui Kian
Designation	Director
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please refer to the file attached.

Additional Details

For Financial Period Ended	30/09/2014
Attachments	IPC Q3 2014results.pdf Total size =444K





IPC CORPORATION LTD (Company Registration No. 198501057M) 3rdQuarter 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 2014

	3 rd quar	<u>Group</u> ter ended	30 Sep Increase/	9 mon	<u>Group</u> 9 months ended 30 Sep Increase/		
	2014 S\$'000	2013 S\$'000	(decrease)	2014 S\$'000	2013 S\$'000	(decrease)	
Sales Cost of sales	9,247 (4,019)	3,487 (346)	NM NM	26,160 (13,595)	29,771 (21,195)	(12.1) (35.9)	
Gross profit	5,228	3,141	66.4	12,565	8,576	46.5	
Other income	337	292	15.4	925	1,014	(8.8)	
Other gains/(losses), net	1,910	354	NM	(199)	10,759	NM	
Expenses Distribution and marketing Administrative Finance Other	(206) (1,949) (933) (1) (3,089)	(44) (1,537) (474) – (2,055)	NM 26.8 96.8 100.0 50.3	(1,391) (7,404) (2,708) (1) (11,504)	(104) (5,811) (1,154) (4) (7,073)	NM 27.4 NM (75.0) 62.6	
Profit before income tax Income tax expense	4,386 (450)	1,732 (1,187)	NM (62.1)	1,787 (1,102)	13,276 (2,454)	(86.5) (55.1)	
Total profit	3,936	545	NM	685	10,822	(93.7)	
Other comprehensive income/(loss), net of tax Items that may be reclassified subsequently to profit or loss: Financial assets, available-for-sale							
- Disposal - Fair value gain/(loss)	(60)	(80) 66	(100.0) NM	_ 120	(375) 84	(100.0) 42.9	
Currency translation gain/(loss) arising from consolidation	(978)	4,804	NM	(1,556)	(4,223)	(63.2)	
Other comprehensive income/(loss), net of tax	(1,038)	4,790	NM (45.7)	(1,436)	(4,514)	(68.2)	
Total comprehensive income/(loss)	2,898	5,335	(45.7)	(751)	6,308	NM_	
Profit/(loss) attributable to:Equity holders of the CompanyNon-controlling interests	3,749 187 3,936	401 144 545	NM 29.9 NM	298 387 685	10,453 369 10,822	(97.1) 4.9 (93.7)	
Total comprehensive income/(loss) attributable to:							
 Equity holders of the Company Non-controlling interests 	2,711 187 2,898	5,191 144 5,335		(1,138) 387 (751)	5,939 369 6,308	NM 4.9 NM	
•	_,000	-,000	\/	(, 0,)	2,000		



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

		<u>Group</u>		<u>Group</u>			
	3 rd qua	3 rd quarter ended 30 Sep			9 months ended		
		Increase/					
	2014	2013	(decrease)	2014	2013	(decrease)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Amortisation of leasehold properties	s 19	19	(0.0)	56	55	1.8	
Depreciation	64	59	8.5	191	222	14.0	
Fair value gain on asset revaluation	n –	(2,391)	(100.0)	_	(6,411)	(100.0)	
Foreign exchange losses/(gains),							
net (Note 8)	(1,910)	2,122	NM	199	(3,975)	NM	
Gain on disposal of financial assets	,						
available-for-sale	_	(86)	(100.0)	_	(526)	(100.0)	
Loss on disposal of assets			, ,		` ,	, ,	
capitalised in property under							
development	_	1	(100.0)	_	153	(100.0)	
Interest income (Note 2)	(242)	(237)	` 2.1´	(698)	(828)	(15.7)	
Interest expenses (Note 6)	933	474	96.8	2,708	1,154	NM	
Dividend income	_	_	_	_	(36)	(100.0)	

Notes

1. Gross profit

The increase in gross profit for 3rd quarter under review was mainly contributed by additional business hotel nest HOTEL osaka shinsaibashi which was acquired in October 2013.

2. Other income

The increase in other income was mainly due to interest received from financial assets, available-for-sale.

3. Other gains/(losses), net

The increase was mainly contributed by gains in unrealized foreign exchange (note 8).

4. Distribution and marketing

The increase was mainly related to the marketing & advertising expenses for Japan and China.

5. Administrative expenses

The increase was mainly due to expenses incurred for nest HOTEL osaka shinsaibashi which was acquired in October 2013, and expenses incurred for Grand nest HOTEL Zhuhai.

6. Finance expenses

The increase was mainly due to interest expenses incurred on additional borrowing for Zhuhai, China.

7. Income tax expenses

The decrease was related to income tax expenses incurred in Japan.

8. The movement in the exchange rates of Japanese Yen against the Singapore Dollar resulted in foreign exchange gains. The gains were mainly unrealized, 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

	Gro	un	Com	nany
	30 Sep 2014	31 Dec 2013	30 Sep 2014	31 Dec 2013
	00 00p 2011	Audited	00 00p 2011	Audited
	S\$'000	S\$'000	S\$'000	S\$'000
	04 000	0 0 0 0 0	04 000	04 000
ASSETS				
Current assets				
Cash and cash equivalents (i)	77,565	86,221	53,237	65,768
Trade and other receivables (ii)	3,329	2,495	352	289
Tax recoverable (iii)	881	1,897	_	_
Properties developed for sale (iv)	73,559	42,655	_	_
Properties under development (iv)	_	42,920	_	_
	155,334	176,188	53,589	66,057
		· ·	•	,
Non-current assets				
Financial assets, available-for-sale	21,719	21,319	13,288	12,717
Other receivables	_	_	58,653	59,077
Prepayment (v)	131	182	_	_
Other asset	155	156	_	_
Investment in associated companies	_	_	_	_
Investment in subsidiaries	_	_	98,934	106,059
Investment properties	112,880	116,772	_	_
Prepaid leasehold properties	4,095	4,202	_	_
Land held for development	6,422	6,422	6,422	6,422
Property, plant and equipment	6,869	7,001	105	142
Deferred income tax assets	3	3	_	_
	152,274	156,057	177,402	184,417
Total assets	307,608	332,245	230,991	250,474
LIABILITIES				
Current liabilities				
Borrowings (vii)	64,719	67,469	42,128	57,792
Trade and other payables (vi)	5,495	8,848	213	942
Current income tax liabilities	353	378	-	
	70,567	76,695	42,341	58,734
Non-current liabilities				
Borrowings (vii)	48,075	62,566	_	_
Deferred income tax liabilities	6,122	6,035		
	54,197	68,601		
Total liabilities	124,764	145,296	42,341	58,734
NET ASSETS	182,844	186,949	188,650	191,740
EQUITY				
Capital and reserves attributable to				
equity holders of the Company				
Share capital	169,658	169,658	169,658	169,658
Currency translation reserve	(20,263)	(18,707)	-	-
Fair value reserve	1,515	1,395	1,058	829
Retained earnings	28,919	31,606	17,934	21,253
	179,829	183,952	188,650	191,740
Non-controlling interests	3,015	2,997	-	-
Total equity	182,844	186,949	188,650	191,740
			,	,



Notes

- (i) The decrease in cash and cash equivalents was mainly attributable to the repayments of borrowings.
- (ii) The increase was mainly due to receivables arising from the operations in Japan.
- (iii) The decrease was due to the realisation of tax recoverable in Japan.
- (iv) The decrease/increase was mainly due to reclassification of properties under development to properties developed for sale.
- (v) The decrease was mainly due to the utilisation of prepayment in China.
- (vi) The decrease was mainly due to the settlement of trade and other payables in Japan.
- (vii) The decrease was mainly due to repayment of loans taken for projects 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>G</u> 1	<u>oup</u>	<u>Group</u>			
As at 30	Sep 2014	As at 31	As at 31 Dec 2013		
Secured	Unsecured	Secured	Unsecured		
S\$'000	S\$'000	S\$'000	S\$'000		
64,719	Nil	61,469	6,000		

Amount repayable after one year

<u>Gr</u>	oup	<u>Group</u>			
As at 30	Sep 2014	As at 31	Dec 2013		
Secured	Unsecured	Secured	Unsecured		
S\$'000	S\$'000	S\$'000	S\$'000		
48,075	Nil	62,566	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

	Gro	oup	<u>Group</u>		
	3 rd quarter ei			nded 30 Sep	
	2014	2013	2014	2013	
	S\$'000	S\$'000	S\$'000	S\$'000	
Cash flows from operating activities					
Total profit/ (loss)	3,936	545	685	10,822	
Adjustments for					
- Income tax expense	450	1,187	1,102	2,454	
- Depreciation	64	59	191	222	
- Amortisation of prepaid leasehold properties	19	19	56	55	
- Unrealised translation losses/(gains)	(1,886)	2,498	703	(3,584)	
- Gain on disposal of financial assets, available-for-sale		(86)	_	(526)	
- Loss on disposal of assets capitalized in property under					
development	_	1	_	153	
- Fair value gain on asset valuation	_	(2,391)	_	(6,411)	
- Interest income	(242)	(237)	(698)	(828)	
- Interest expenses	933	474	2,708	1,154	
- Dividend income				(36)	
	3,274	2,069	4,747	3,475	
Change in working capital					
- Inventories	_	- .	_	32	
- Properties	3,550	(10,345)	11,317	(11,427)	
- Trade and other receivables	(1,006)	(1,314)	188	2,390	
- Trade and other payables	(1,147)	5,886	(3,800)	3,013	
Cash generated from/(used in) operations	4,671	(3,704)	12,452	(2,517)	
Interest received	242	244	759 (047)	734	
Income tax paid, net	(262)	(327)	(817)	(629)	
Net cash provided by/(used in) operating activities	4,651	(3,787)	12,394	(2,412)	
Cash flows from investing activities					
Purchases of property, plant and equipment	(49)	_	(114)	_	
Purchases of financial assets, available-for-sale	(343)	(602)	(343)	(3,169)	
Purchase of investment properties	(0.0)	(14,470)	(0.0)	(21,668)	
Proceeds from disposal of financial assets, available-for-sale	_	1,357	_	14,102	
Dividends received	_	, <u> </u>	_	36	
Net cash provided by/(used in)investing activities	(392)	(13,715)	(457)	(10,699)	
Cash flows from financing activities					
Bank deposit (pledged)	9,499	(1,712)	10,650	(11,635)	
Interest paid	(934)	(474)	(2,259)	(1,154)	
Proceeds from borrowings	7,544	38,204	7,544	55,935	
Repayment of borrowings	(19,312)	(7,443)	(22,739)	(13,180)	
Distribution to non-controlling interests	(201)	(83)	(369)	(245) (2,132)	
Dividends paid to equity holders of the Company	(2.404)	20 402	(2,985)		
Net cash provided by/(used in)financing activities	(3,404)	28,492	(10,158)	27,589	
Net increase in cash and cash equivalents	855	10,990	1,779	14,478	
Cash and cash equivalents at beginning of financial period	36,916	31,223	36,495	27,201	
Effects of currency translation on cash and cash equivalents	719	(76)	216	458	
Cash and cash equivalents at end of financial period	38.490	42,137	38.490	42.137	
	,	, -		, -	

Notes:

(i) For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	30 Sep 2014 S\$'000	30 Sep 2013 S\$'000
Cash and bank balances	77,565	93,979
Less: bank deposit pledged	(39,075)	(51,842)
Cash and cash equivalents per consolidated statement of cash flows	38,490	42,137



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.

Share Translation Trans	STATEMENT OF CHANGES IN	Attri	butable to Ed Currency	quity Holders Fair	of the Compa	any	Non-	
May			translation	value		Total	controlling	Equity
As at 1 Jam	2044	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total comprehensive income/(loss) for the period bistribution to non-controlling interests the period bistribution to non-controlling interests at 30 Jun 169,658 19,285 1,575 22,985 2,985 16,20 2,985 2,98		160 658	(18 707)	1 305	31 606	183 052	2 007	186 0/0
The period Fig. The		109,050	(10,707)	1,393	31,000	103,932	2,997	100,949
Dividendes paid		_	(578)	180	(3,451)	(3,849)	200	(3,649)
As at 30 Jun		-	_	_	_	_	(168)	
Total comprehensive income/(loss) for the period plestribution to non-controlling interests at 3 0 Sep 169,658 20,263 1,515 28,919 179,829 3,015 182,848 182,848 182,848 182,848 182,849 182,8		400.050	(40.005)	4 575	. , ,			
The period Companies Com		169,658	(19,285)	1,575	25,170	177,118	3,029	180,147
As at 30 Sep		_	(978)	(60)	3,749	2,711	187	2,898
Attributable to Equity Holders of the Company Controlling interests Simple Period Page 1 Page	Distribution to non-controlling interests	_	<u> </u>			-		(201)
Currency EQUITY - GROUP	As at 30 Sep	169,658	(20,263)	1,515	28,919	179,829	3,015	182,844
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		Share capital	Currency translation reserve	Fair value reserve	Retained earnings	Total	controlling interests	Equity
Total comprehensive income/(loss) for the period	2013	Οψ 000	Οψ 000	Οψ 000	Οψ 000	Οψ 000	Οψ 000	Οψ 000
Distribution to non-controlling interests		169,658	(10,562)	1,469	15,506	176,071	2,789	178,860
Distribution to non-controlling interests 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 Total comprehensive income/(loss) for the period the period of Distribution to non-controlling interests − 4,804 (14) 401 5,191 144 5,335 As at 30 Sep 169,658 (14,785) 1,178 23,827 179,878 2,913 182,791 STATEMENT OF CHANGES IN EQUITY − COMPANY Share capital reserve earnings Fair value reserve earnings Retained earnings Total Stat J Jan 169,658 829 21,253 191,740 Total comprehensive income/(loss) for the period − 233 (4,278) (4,045) Dividends paid − − 233 (4,278) (4,045) As at 30 Jun 169,658 1,062 13,990 184,710 Total comprehensive (loss)/income for the period − − (4) 3,944 3,9			(0.007)	(077)	40.050	740	005	070
Dividends paid Cartest		-	(9,027)	(277)	10,052			
As at 30 Jun Total comprehensive income/(loss) for the period		_	_	_	(2 132)		` '	, ,
Total comprehensive income/(loss) for the period the pe		169,658	(19,589)					
Distribution to non-controlling interests As at 30 Sep 169,658 (14,785) 1,178 23,827 179,878 2,913 182,791	Total comprehensive income/(loss) for	,					•	
STATEMENT OF CHANGES IN EQUITY - COMPANY Share capital reserve earnings earnings (4,045) Company		_	4,804					
STATEMENT OF CHANGES IN EQUITY - COMPANY Share capital reserve earnings Equity (S\$'000 S\$'000 S\$'000 S\$'000 S\$'000			(14 785)					
Capital Peserve Equity S\$'000	7.0 dt 00 00p	100,000	(11,700)	1,170	20,027	170,070	2,010	102,701
As at 1 Jan	STATEMENT OF CHANGES IN EQUITY –	COMPANY		capital	reserve	earnin	ngs Eq	uity
Total comprehensive income/(loss) for the period	-							
Dividends paid - - (2,985) (2,985)				169,658				
As at 30 Jun Total comprehensive (loss)/income for the period As at 30 Sep 169,658		perioa		_				
Total comprehensive (loss)/income for the period	•		=	169,658				
STATEMENT OF CHANGES IN EQUITY - COMPANY Share capital reserve earnings Equity S\$'000 S\$'		period						
capital Sy000 reserve Sy000 earnings Sy000 Equity Sy000 2013 Sy000 Sy000 Sy000 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 loss for the period - (10) (1,427) (1,437)	As at 30 Sep		_	169,658	1,058	17,9	34 188	,650
capital Sy000 reserve Sy000 earnings Sy000 Equity Sy000 2013 Sy000 Sy000 Sy000 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 loss for the period - (10) (1,427) (1,437)								
capital Sy000 reserve Sy000 earnings Sy000 Equity Sy000 2013 Sy000 Sy000 Sy000 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 loss for the period - (10) (1,427) (1,437)	STATEMENT OF CHANGES IN EQUITY -	COMPANY		Share	Fair value	Retain	ned To	otal
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 loss for the period - (10) (1,427) (1,437)								
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 loss for the period - (10) (1,427) (1,437)					S\$'000			
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 loss for the period - (10) (1,427) (1,437)								
Dividends paid - - (2,132) (2,132) As at 30 Jun 169,658 595 18,302 188,555 Total comprehensive loss for the period - (10) (1,427) (1,437)		nariad		169,658				
As at 30 Jun 169,658 595 18,302 188,555 Total comprehensive loss for the period - (10) (1,427) (1,437)		penod		_	(199)			•
Total comprehensive loss for the period – (10) (1,427) (1,437)			_	169,658	595			
As at 30 Sep 169,658 585 16,875 187,118				. –				
	As at 30 Sep		-	169,658	585	16,8	75 187	,118



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.

Not applicable.

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 2014 was 852,920,638 (31 Dec 2013: 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 2013, 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.

FRS 110 Consolidated Financial Statements

FRS 110 replaces all of the guidance on control and consolidation in FRS 27 "Consolidated and Separate Financial Statements" and INT FRS 12 "Consolidation – Special Purpose Entities". The same criteria are now applied to all entities to determine control. Additional guidance is also provided to assist in the determination of control where this is difficult to assess.

FRS 112 Disclosure of Interests in Other Entities

FRS 112 requires disclosure of information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in (1) subsidiaries, (2) associates, (3) joint arrangements and (4) unconsolidated structured entities.

The adoption of these FRSs do not have any material impact on the amounts reported for the current and prior financial year.



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> 3 rd quarter ended 30 Sep		<u>Group</u> 9 months en	ded 30 Sep
		2014	2013	2014	2013
	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)	0.44	0.05	0.03	1.23
(ii)	On a fully diluted basis (in cents)	0.44	0.05	0.03	1.23

- 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 2014	31 Dec 2013 Audited	30 Sep 2014	31 Dec 2013 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:	21.08 cents	21.57 cents	22.12 cents	22.48 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.

The Group recorded sales of S\$9.247 million for the 3rd quarter ended 30 September 2014 as compared to S\$3.487 million for the same period of the previous year. The increase in sales for the 3rd quarter under review as compared to the same period last year was mainly due to the following:

- i) contribution from the sales of apartment units of the Oiso project; and
- ii) contribution from the ninth business hotel, nest HOTEL osaka shinsaibashi where completion of the purchase was on 11th October 2013, Grand nest HOTEL zhuhai which commenced operation in Q2 2014 and stronger contributions from other business hotels in Japan.

The gross profit has increased by 66.4% to \$\$5.228 million as compared to \$\$3.141 million of the same quarter of the previous year. Accordingly, the Group recorded a profit before tax of \$\$4.386 million and an after-tax profit of \$\$3.936 million for the 3rd quarter ended 30 September 2014, which were mainly due to the following:

- contribution from the ninth business hotel, nest HOTEL osaka shinsaibashi where completion of the purchase was on 11th October 2013 and stronger income contribution from other business hotel in Japan; and
- (ii) other gains of S\$1.910 million (due to unrealized foreign exchange gains resulting mainly from the weakening of exchange rate of Japanese Yen against Singapore dollars on the Group's Japanese Yen loans).



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 FY2014) 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 Group will continue to sell the remaining stock of completed apartment units of Oiso project in Japan and to evaluate opportunities in respect of its hotels portfolio and related businesses.

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 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ngiam Mia Je Patrick Executive Chairman

30 October 2014

Ngiam Mia Kiat Benjamin Managing Director

BY ORDER OF THE BOARD

Lauw Hui Kian Director

30 October 2014