

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 2015**

	Group			Group		
	2015 S\$'000	2014 S\$'000	Increase/ (decrease) %	2015 S\$'000	2014 S\$'000	Increase/ (decrease) %
Sales	4,783	9,247	(48.3)	17,444	26,160	(33.3)
Cost of sales	(580)	(4,019)	(85.6)	(6,040)	(13,595)	(55.6)
Gross profit/(loss)	4,203	5,228	(19.6)	11,404	12,565	(9.2)
Other income	446	337	32.3	1,081	925	16.9
Other gains/(losses), net	(3,440)	1,910	NM	(1,829)	(199)	NM
Expenses						
Distribution and marketing	(115)	(206)	(44.2)	(464)	(1,391)	(66.6)
Administrative	(1,966)	(1,949)	0.9	(7,670)	(7,404)	3.6
Finance	(701)	(933)	(24.9)	(2,117)	(2,708)	(21.8)
Other	(1)	(1)	0	(2)	(1)	100.0
	(2,783)	(3,089)	(9.9)	(10,253)	(11,504)	(10.9)
Profit/(loss) before income tax	(1,574)	4,386	NM	403	1,787	(77.4)
Income tax credit/(expense)	222	(450)	NM	(2,377)	(1,102)	NM
Total profit/(loss)	(1,352)	3,936	NM	(1,974)	685	NM
Other comprehensive income/(loss), net of tax						
Items that may be reclassified subsequently to profit or loss:						
Financial assets, available-for-sale						
- Disposal	-	-	-	(21)	-	NA
- Fair value gain/(loss)	518	(60)	NM	625	120	NM
Currency translation gain/(loss) arising from consolidation	12,241	(978)	NM	10,234	(1,556)	NM
Other comprehensive income/(loss), net of tax	12,759	(1,038)	NM	10,838	(1,436)	NM
Total comprehensive income/(loss)	11,407	2,898	NM	8,864	(751)	NM
Profit/(loss) attributable to:						
- Equity holders of the Company	(1,486)	3,749	NM	(2,356)	298	NM
- Non-controlling interests	134	187	(28.3)	382	387	(1.3)
	(1,352)	3,936	NM	(1,974)	685	NM
Total comprehensive income/(loss) attributable to:						
- Equity holders of the Company	11,273	2,711	NM	8,482	(1,138)	NM
- Non-controlling interests	134	187	(28.3)	382	387	(1.3)
	11,407	2,898	NM	8,864	(751)	NM

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

	Group			Group		
	3 rd quarter ended 30 Sep		Increase/ (decrease) %	9 months ended 30 Sep		Increase/ (decrease) %
2015 S\$'000	2014 S\$'000	2015 S\$'000		2014 S\$'000		
Amortisation of leasehold properties	20	19	5.3	61	56	8.9
Depreciation (Note 7)	187	64	NM	430	191	NM
Foreign exchange losses/(gains), net (Note 9)	3,490	(1,910)	NM	1,912	199	NM
Gain on disposal of financial assets, available-for-sale	(50)	–	NA	(83)	–	NA
Interest income (Note 8)	(339)	(242)	40.1	(790)	(698)	13.2
Interest expenses (Note 5)	701	933	(24.9)	2,117	2,708	(21.8)

Notes

1. Gross profit/(loss)

The decrease in gross profit for the 3rd quarter under review as compared to the same period of the previous year was mainly due to the following:

- i) The absence of sales from Oiso project in Japan; and
- ii) The absence of rental income from the two Sapporo hotels which were sold at the end of FY2014.

2. Other income

The increase in other income was mainly due to higher rental income received in Zhuhai, China.

3. Other gains/(losses), net

The losses were mainly contributed by the foreign exchange losses suffered on the return of capital from Japan (Note 9).

4. Distribution and marketing

The decrease was mainly related to lower marketing and advertising expenses incurred in Japan.

5. Finance expenses

The decrease was mainly due to partial settlement of borrowings.

6. Income tax credit/(expense)

The amount was mainly due to over provision of withholding tax expenses in Japan.

7. The increase in depreciation was mainly due to the addition of property, plant and equipment for the operation of Grand nest HOTEL zhuhai, China.

8. The increase was mainly due to additional investment in bonds.

9. The movement in the exchange rates of United States Dollar, Japanese Yen and Renminbi against the Singapore Dollar resulted in exchange differences. The exchange differences 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

	Group		Company	
	30 Sep 2015	31 Dec 2014 Audited	30 Sep 2015	31 Dec 2014 Audited
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents (i)	71,969	101,311	53,664	53,697
Trade and other receivables (ii)	5,708	4,475	415	303
Tax recoverable (iii)	1,187	802	–	–
Properties developed for sale (iv)	21,814	71,092	–	–
Other assets	61	53	–	–
Non-current asset held for sale (iv)	48,641	–	–	–
	<u>149,380</u>	<u>177,733</u>	<u>54,079</u>	<u>54,000</u>
Non-current assets				
Financial assets, available-for-sale	20,295	22,092	14,627	13,480
Other receivables	–	–	63,148	60,279
Prepayment	3	10	–	–
Other asset	153	153	–	–
Investment in associated companies	–	–	–	–
Investment in subsidiaries	–	–	86,489	98,827
Investment properties	122,224	118,081	–	–
Prepaid leasehold properties	4,468	4,243	–	–
Land held for development	6,422	6,422	6,422	6,422
Property, plant and equipment (v)	9,859	7,186	1,555	93
Deferred income tax assets	–	1	–	–
	<u>163,424</u>	<u>158,188</u>	<u>172,241</u>	<u>179,101</u>
Total assets	<u>312,804</u>	<u>335,921</u>	<u>226,320</u>	<u>233,101</u>
LIABILITIES				
Current liabilities				
Borrowings (vi)	45,425	64,197	23,390	40,923
Trade and other payables (vii)	4,471	8,507	331	1,366
Current income tax liabilities	619	611	–	–
	<u>50,515</u>	<u>73,315</u>	<u>23,721</u>	<u>42,289</u>
Non-current liabilities				
Borrowings (vi)	37,817	39,230	–	–
Deferred income tax liabilities (viii)	8,324	10,392	–	–
	<u>46,141</u>	<u>49,622</u>	<u>–</u>	<u>–</u>
Total liabilities	<u>96,656</u>	<u>122,937</u>	<u>23,721</u>	<u>42,289</u>
NET ASSETS	<u>216,148</u>	<u>212,984</u>	<u>202,599</u>	<u>190,812</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	(10,279)	(20,513)	–	–
Fair value reserve	2,424	1,820	1,836	1,249
Retained earnings	49,781	57,255	31,105	19,905
	<u>211,584</u>	<u>208,220</u>	<u>202,599</u>	<u>190,812</u>
Non-controlling interests	4,564	4,764	–	–
Total equity	<u>216,148</u>	<u>212,984</u>	<u>202,599</u>	<u>190,812</u>

Notes

- (i) The decrease in cash and cash equivalents was mainly attributable to the repayments of borrowings and payment of dividend.
- (ii) The increase was mainly due to the prepayment of properties in China.
- (iii) The increase in tax recoverable was mainly from Japan operation.
- (iv) The decrease in properties developed for sale was mainly due to the reclassification to non-current asset held for sale.
- (v) The increase of property, plant and equipment was mainly due to the addition of motor vehicles and leasehold improvement in Zhuhai, China.
- (vi) The decrease was mainly due to repayment of borrowings.
- (vii) The decrease was mainly due to the settlement of trade and other payables in Japan.
- (viii) The decrease was mainly due to the utilisation of deferred tax liability 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>		<u>Group</u>	
As at 30 Sep 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
45,425	Nil	64,197	Nil

Amount repayable after one year

<u>Group</u>		<u>Group</u>	
As at 30 Sep 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
37,817	Nil	39,230	Nil

Details of any collateral

The Group's borrowings were secured by pledge of prepaid leasehold properties, leasehold building, properties developed for sale, non-current asset held for sale in Zhuhai, China, investment properties in Japan and certain bank deposits.

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 rd quarter ended 30 Sep 2015	2014	9 months ended 30 Sep 2015	2014
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Total profit/(loss)	(1,352)	3,936	(1,974)	685
Adjustments for				
- Income tax expense/(credit)	(222)	450	2,377	1,102
- Depreciation	187	64	430	191
- Amortisation of prepaid leasehold properties	20	19	61	56
- Unrealised translation losses/(gains)	2,086	(1,886)	824	703
- Gain on disposal of financial assets, available-for-sale	(50)	-	(83)	-
- Interest income	(339)	(242)	(790)	(698)
- Interest expenses	701	933	2,117	2,708
	<u>1,031</u>	<u>3,274</u>	<u>2,962</u>	<u>4,747</u>
Change in working capital				
- Other assets	(6)	-	(8)	-
- Properties	(133)	3,550	4,108	11,317
- Trade and other receivables	(3,597)	(1,006)	(1,362)	188
- Trade and other payables	(258)	(1,147)	(3,113)	(3,800)
Cash (used in)/generated from operations	<u>(2,963)</u>	<u>4,671</u>	<u>2,587</u>	<u>12,452</u>
Interest received	334	242	543	759
Income tax paid, net	<u>(242)</u>	<u>(262)</u>	<u>(4,742)</u>	<u>(817)</u>
Net cash provided by/(used in) operating activities	<u>(2,871)</u>	<u>4,651</u>	<u>(1,612)</u>	<u>12,394</u>
Cash flows from investing activities				
Purchases of property, plant and equipment	(384)	(49)	(2,756)	(114)
Purchases of financial assets, available-for-sale	-	(343)	(903)	(343)
Proceeds from disposal of financial assets, available-for-sale	3,328	-	3,704	-
Net cash provided by/(used in) investing activities	<u>2,944</u>	<u>(392)</u>	<u>45</u>	<u>(457)</u>
Cash flows from financing activities				
Bank deposit (pledged)	(900)	9,499	11,345	10,650
Interest paid	(1,024)	(934)	(3,040)	(2,259)
Proceeds from borrowings	937	7,544	3,720	7,544
Repayment of borrowings	(6,106)	(19,312)	(26,396)	(22,739)
Distribution to non-controlling interests	75	(201)	(584)	(369)
Dividends paid to equity holders of the Company	-	-	(5,118)	(2,985)
Net cash provided by/(used in) financing activities	<u>(7,018)</u>	<u>(3,404)</u>	<u>(20,073)</u>	<u>(10,158)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(6,945)</u>	<u>855</u>	<u>(21,640)</u>	<u>1,779</u>
Cash and cash equivalents at beginning of financial period	49,454	36,916	65,564	36,495
Effects of currency translation on cash and cash equivalents	4,029	719	2,614	216
Cash and cash equivalents at end of financial period	<u>46,538</u>	<u>38,490</u>	<u>46,538</u>	<u>38,490</u>

Notes:

- (i) The deficit in cash from the operations was mainly related to prepayment of properties in China.
- (ii) For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	30 Sep 2015	30 Sep 2014
	S\$'000	S\$'000
Cash and bank balances	71,969	77,565
Less: bank deposit pledged	<u>(25,431)</u>	<u>(39,075)</u>
Cash and cash equivalents per consolidated statement of cash flows	<u>46,538</u>	<u>38,490</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY – GROUP	Attributable to Equity Holders of the Company					Non-controlling interests S\$'000	Total Equity S\$'000
	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000		
2015							
As at 1 Jan	169,658	(20,513)	1,820	57,255	208,220	4,764	212,984
Total comprehensive income/(loss) for the period							
Profit/(loss) for the period	–	–	–	(870)	(870)	248	(622)
Other comprehensive income/(loss) for the period	–	(2,007)	86	–	(1,921)	–	(1,921)
	–	(2,007)	86	(870)	(2,791)	248	(2,543)
Total transactions with owners, recognised directly in equity							
Distribution to non-controlling interests	–	–	–	–	–	(659)	(659)
Dividend paid	–	–	–	(5,118)	(5,118)	–	(5,118)
	–	–	–	(5,118)	(5,118)	(659)	(5,777)
As at 30 Jun	169,658	(22,520)	1,906	51,267	200,311	4,353	204,664
Total comprehensive income/(loss) for the period							
Profit/(loss) for the period	–	–	–	(1,486)	(1,486)	134	(1,352)
Other comprehensive income/(loss) for the period	–	12,241	518	–	12,759	–	12,759
	–	12,241	518	(1,486)	11,273	134	11,407
Total transactions with owners, recognised directly in equity							
Distribution to non-controlling interests	–	–	–	–	–	77	77
	–	–	–	–	–	77	77
As at 30 Sep	169,658	(10,279)	2,424	49,781	211,584	4,564	216,148

STATEMENT OF CHANGES IN EQUITY – GROUP	Attributable to Equity Holders of the Company					Non-controlling interests S\$'000	Total Equity S\$'000
	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000		
2014							
As at 1 Jan	169,658	(18,707)	1,395	31,606	183,952	2,997	186,949
Total comprehensive income/(loss) for the period							
Profit/(loss) for the period	–	–	–	(3,451)	(3,451)	200	(3,251)
Other comprehensive income/(loss) for the period	–	(578)	180	–	(398)	–	(398)
	–	(578)	180	(3,451)	(3,849)	200	(3,649)
Total transactions with owners, recognised directly in equity							
Distribution to non-controlling interests	–	–	–	–	–	(168)	(168)
Dividend paid	–	–	–	(2,985)	(2,985)	–	(2,985)
	–	–	–	(2,985)	(2,985)	(168)	(3,153)
As at 30 Jun	169,658	(19,285)	1,575	25,170	177,118	3,029	180,147
Total comprehensive income/(loss) for the period							
Profit/(loss) for the period	–	–	–	3,749	3,749	187	3,936
Other comprehensive income/(loss) for the period	–	(978)	(60)	–	(1,038)	–	(1,038)
	–	(978)	(60)	3,749	2,711	187	2,898
Total transactions with owners, recognised directly in equity							
Distribution to non-controlling interests	–	–	–	–	–	(201)	(201)
	–	–	–	–	–	(201)	(201)
As at 30 Sep	169,658	(20,263)	1,515	28,919	179,829	3,015	182,844

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. (continued)

STATEMENT OF CHANGES IN EQUITY – COMPANY	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
2015				
As at 1 Jan	169,658	1,249	19,905	190,812
Total comprehensive income/(loss) for the period				
Profit/(loss) for the period	–	–	18,398	18,398
Other comprehensive income/(loss) for the period	–	84	–	84
	–	84	18,398	18,482
Total transactions with owners, recognised directly in equity				
Dividend paid	–	–	(5,118)	(5,118)
	–	–	(5,118)	(5,118)
As at 30 Jun	169,658	1,333	33,185	204,176
Total comprehensive income/(loss) for the period				
Profit/(loss) for the period	–	–	(2,080)	(2,080)
Other comprehensive income/(loss) for the period	–	503	–	503
	–	503	(2,080)	(1,577)
As at 30 Sep	169,658	1,836	31,105	202,599

STATEMENT OF CHANGES IN EQUITY – COMPANY	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
2014				
As at 1 Jan	169,658	829	21,253	191,740
Total comprehensive income/(loss) for the period				
Profit/(loss) for the period	–	–	(4,278)	(4,278)
Other comprehensive income/(loss) for the period	–	233	–	233
	–	233	(4,278)	(4,045)
Total transactions with owners, recognised directly in equity				
Dividend paid	–	–	(2,985)	(2,985)
	–	–	(2,985)	(2,985)
As at 30 Jun	169,658	1,062	13,990	184,710
Total comprehensive income/(loss) for the period				
Profit/(loss) for the period	–	–	3,944	3,944
Other comprehensive income/(loss) for the period	–	(4)	–	(4)
	–	(4)	3,944	3,940
As at 30 Sep	169,658	1,058	17,934	188,650

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 September 2015 was 85,291,885 (31 Dec 2014: 852,920,638). The Group and Company have no treasury share for both years.

On 9 June 2015, the Company completed the share consolidation of every ten (10) ordinary shares into one (1) ordinary share in the Capital of the Company, fractional entitlements to be disregarded. The share consolidation was approved at the EGM on 28 April 2015.

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 2014, 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 40 Investment Property (effective for annual periods beginning on or after 1 July 2014)

The standard is amended to clarify that FRS 40 and FRS 103 are not mutually exclusive. The guidance in FRS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in FRS 103 to determine whether the acquisition of an investment property is a business combination.

The Group will apply this amendment for acquisition of investment property taking place on/after 1 January 2015 (if any).

FRS 108 Operating Segments (effective for annual periods beginning on or after 1 July 2014)

The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics.

The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.

The adoption of the FRS does not have any material impact on the amounts reported for the current and prior financial year.

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. (continued)

FRS 113 Fair Value Measurement (effective for annual periods beginning on or after 1 July 2014)

The amendment clarifies that the portfolio exception in FRS 113, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of FRS 39.

The adoption of the FRS does not have any material impact on the amounts reported for the current and prior financial year.

FRS 24 Related Party Disclosures (effective for annual periods beginning on or after 1 July 2014)

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ("the management entity").

The reporting entity is not required to disclose the compensation paid by the management entity to the management entity's employees or directors, but it is required to disclose the amounts charged to the reporting entity by the management entity for services provided.

The adoption of the FRS does 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>		<u>Group</u>	
	3 rd quarter ended 30 Sep		9 months ended 30 Sep	
	2015	2014 Restated *	2015	2014 Restated *
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)	(1.74)	4.40	(2.76)	0.35
(ii) On a fully diluted basis (in cents)	(1.74)	4.40	(2.76)	0.35

* For comparison purpose, due to the share consolidation of every ten (10) ordinary shares into one (1) ordinary share in the Capital of the Company, fractional entitlements to be disregarded, which was completed on 9 June 2015.

**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 2015	31 Dec 2014 Restated *	30 Sep 2015	31 Dec 2014 Restated *
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:-	S\$2.48	S\$2.44	S\$2.38	S\$2.24
Number of existing issued shares excluding treasury shares at end of the financial period/year:	85,291,885	85,291,885	85,291,885	85,291,885

* For comparison purpose, due to the share consolidation of every ten (10) ordinary shares into one (1) ordinary share in the Capital of the Company, fractional entitlements to be disregarded, which was completed on 9 June 2015.

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\$4.783 million for the 3rd quarter ended 30 September 2015 as compared to S\$9.247 million for the same period of the previous year.

The decrease in sales for the 3rd quarter under review as compared to the same period of the previous year was mainly due to the following:

- iii) The absence of sales from Oiso project in Japan; and
- iv) The absence of rental income from the two Sapporo hotels which were sold at the end of FY2014.

As a result, gross profit decreased by 19.6% to S\$4.203 million as compared to S\$5.228 million of the same period of the previous year.

The Group recorded a loss before tax of S\$1.574 million and with the over provision of withholding tax expense in Japan, loss after tax was reduced to S\$1.352 million for the 3rd quarter ended 30 September 2015.

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 FY2015) 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 continues to explore and evaluate opportunities relating to its property investments and development with the best interest for the Company and its shareholders.

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 2015 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 2015

BY ORDER OF THE BOARD

Lauw Hui Kian
Director

30 October 2015