



IPC CORPORATION LTD
(Company Registration No. 198501057M)
2nd Quarter Financial Statement Announcement

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

**1(a) An income statement (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 THE 2nd QUARTER ENDED 30 JUN 2009**

	Group 2 nd quarter ended 30 Jun			Group Half year ended 30 Jun		
	2009 S\$'000	2008 S\$'000	Increase/ (decrease) %	2009 S\$'000	2008 S\$'000	Increase/ (decrease) %
Continuing operations						
Revenue	12	400	(97.0)	30	6,272	(99.5)
Cost of revenue	(79)	(449)	(82.4)	(170)	(3,617)	(95.3)
Gross (loss)/profit	(67)	(49)	36.7	(140)	2,655	NM
Other income	256	188	36.2	456	407	12.0
Other (losses)/gains, net	(1,161)	1,284	NM	(23)	1,114	NM
Expenses						
Distribution and marketing	(121)	(116)	4.3	(240)	(332)	(27.7)
Administrative	(1,191)	(1,284)	(7.2)	(2,190)	(2,092)	4.7
Finance	(6)	(1)	NM	(8)	(3)	NM
Other	-	(20)	(100.0)	(2)	(10)	(80.0)
	(1,318)	(1,421)	(7.2)	(2,440)	(2,437)	0.1
(Loss)/profit before income tax	(2,290)	2	NM	(2,147)	1,739	NM
Income tax credit/(expense)	15	236	(93.6)	15	(390)	NM
(Loss)/profit from continuing operations	(2,275)	238	NM	(2,132)	1,349	NM
Discontinued operations						
(Loss)/profit from discontinued operations	-	(75)	(100.0)	-	130	(100.0)
(Loss)/profit for the year	(2,275)	163	NM	(2,132)	1,479	NM
Other comprehensive income, after tax						
Financial assets, available-for-sale						
- Fair value gain/(loss)	316	(2,166)	NM	66	(3,454)	NM
- Disposal	(96)	(61)	57.4	(107)	(26)	NM
Currency translation differences	(582)	118	NM	301	(131)	NM
Other comprehensive (loss)/ income for the year, net of tax	(362)	(2,109)	(82.8)	260	(3,611)	NM
Total comprehensive loss for the year	(2,637)	(1,946)	35.5	(1,872)	(2,132)	(12.2)
Total comprehensive loss attributable to:						
Owners of the parent						
- Continuing operations	(2,637)	(1,716)	53.7	(1,872)	(2,068)	(9.5)
- Discontinued operations	-	(56)	(100.0)	-	97	(100.0)
Minority Interest	-	(174)	(100.0)	-	(161)	(100.0)
	(2,637)	(1,946)	35.5	(1,872)	(2,132)	(12.2)

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

	Group			Group		
	2 nd quarter ended 30 Jun		Increase/ (decrease) %	Half year ended 30 Jun		Increase/ (decrease) %
	2009	2008		2009	2008	
	S\$'000	S\$'000		S\$'000	S\$'000	
Amortisation of leasehold properties (Note 5)	29	26	11.5	59	53	11.3
Depreciation	129	124	4.0	266	245	8.6
Foreign exchange loss (Note 6)	1,310	353	NM	159	681	(76.7)
Gain on disposal of financial assets, available-for-sale	(149)	(158)	(5.7)	(163)	(341)	(52.2)
(Reversal of impairment of)/impairment loss of other asset, net	(35)	15	NM	(25)	40	NM
Interest income	(125)	(138)	(9.4)	(244)	(260)	(6.2)
Dividend income (Note 7)	(31)	(42)	(26.2)	(31)	(42)	(26.2)
Gain on disposal of non-current asset, held for sale	-	(1,494)	(100.0)	-	(1,494)	(100.0)

Notes

1. Gross loss
The depreciation expenses of the Zhuhai property Club House exceeded the operating revenue, thereby resulting in a gross loss in the 2nd quarter of 2009.
 2. Other income
The increase was mainly attributable to accrual of interest income from loan given to third party.
 3. Other (losses)/gains, net
Other losses in the 2nd quarter of 2009 were mostly from unrealised translation losses.
 4. Income tax credit/(expense)
This was from deferred tax credit arising from unutilised tax losses on special purpose entity in Japan, netted off with its current tax expense.
 5. Amortisation of leasehold properties is from IPC Zhuhai, China, and the increase was solely due to the translation of Chinese RMB to Singapore Dollars.
 6. The foreign exchange loss was mainly due to the weakening of the average rate of United States Dollars against the average rate of Singapore Dollars during the 2nd quarter of 2009 as well as the weakening of the Chinese RMB against the Singapore Dollars compared with 2nd quarter of 2008. It was mainly unrealised, due to recorded monetary balances denominated in foreign currencies which were adjusted to reflect the exchange rates at the balance sheet date.
 7. The decrease was due to lower dividend income.
- NM: Not meaningful
NA: Not applicable

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

	<u>Group</u>		<u>Company</u>	
	30 Jun 2009	31 Dec 2008	30 Jun 2009	31 Dec 2008
	S\$'000	Audited S\$'000	S\$'000	Audited S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	53,355	56,237	41,024	43,903
Trade receivables	6,490	6,475	33	21
Other receivables (i)	2,073	2,327	93	93
Tax recoverable	1,224	1,221	565	565
Properties held for sale (ii)	8,636	-	-	-
Properties developed for sale	22,254	22,138	-	-
Property under development	36,108	36,000	-	-
	<u>130,140</u>	<u>124,398</u>	<u>41,715</u>	<u>44,582</u>
Non-current assets				
Financial assets, available-for-sale	4,880	5,128	770	1,128
Other receivables	-	-	76,544	75,708
Other assets (iii)	150	125	-	-
Investment in associated companies	-	-	-	-
Investment in subsidiaries	-	-	40,609	31,909
Prepaid leasehold properties	6,791	6,778	-	-
Land held for development	6,515	6,515	6,515	6,515
Property, plant and equipment	10,898	11,053	109	146
Deferred tax asset	15	-	-	-
	<u>29,249</u>	<u>29,599</u>	<u>124,547</u>	<u>115,406</u>
Total assets	<u>159,389</u>	<u>153,997</u>	<u>166,262</u>	<u>159,988</u>
LIABILITIES				
Current liabilities				
Bank loan (iv)	8,816	-	8,816	-
Trade payables	5,284	5,292	65	67
Other payables	2,638	2,917	345	634
Current income tax liabilities	1,361	1,304	36	36
	<u>18,099</u>	<u>9,513</u>	<u>9,262</u>	<u>737</u>
Total liabilities	<u>18,099</u>	<u>9,513</u>	<u>9,262</u>	<u>737</u>
NET ASSETS	<u>141,290</u>	<u>144,484</u>	<u>157,000</u>	<u>159,251</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	140,038	140,038	140,038	140,038
Currency translation reserve	(5,077)	(5,378)	-	-
Fair value reserve	228	269	158	269
Retained earnings	6,101	9,555	16,804	18,944
Total equity	<u>141,290</u>	<u>144,484</u>	<u>157,000</u>	<u>159,251</u>

Notes

- (i) The decrease was mainly derived from the decrease in IPC Zhuhai's receivables.
- (ii) This was mainly due to the addition of property held for sale in Japan.
- (iii) The increase was due to the reversal of impairment of other asset.
- (iv) This was a secured bank loan facility taken in the 2nd quarter of 2009 for the project in Japan.

1 (b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30 Jun 09		As at 31 Dec 08	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
8,816	Nil	Nil	Nil

Amount repayable after one year

As at 30 Jun 09		As at 31 Dec 08	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
Nil	Nil	Nil	Nil

Details of any collateral

As at 30 June 2009, the Group's borrowing were secured by a pledge of bank deposit of S\$14 million (2007: Nil).

1(c) A cash flow statement (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 2009	2008	Half year ended 30 Jun 2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
(Loss)/profit for the year	(2,275)	163	(2,132)	1,479
Adjustments for				
- Income tax (credit)/expense	(15)	(236)	(15)	390
- Depreciation	129	124	266	245
- Amortisation of prepaid leasehold properties	29	26	59	53
- Unrealised translation losses	1,191	263	227	426
- Gain on disposal of financial assets, available-for-sale	(149)	(158)	(163)	(341)
- Gain on disposal of non-current assets, held for sale	-	(1,494)	-	(1,494)
- (Reversal of impairment of)/impairment loss of other asset, net	(35)	15	(25)	40
- Interest income	(125)	(138)	(244)	(260)
- Dividend income	(31)	(42)	(31)	(42)
	<u>(1,281)</u>	<u>(1,477)</u>	<u>(2,058)</u>	<u>496</u>
Change in working capital, net of effects from disposal of subsidiary				
- Properties	(8,860)	(53)	(8,860)	2,274
- Inventories	-	(38)	-	(11)
- Trade and other receivables	342	(2,445)	311	(7,972)
- Trade and other payables	98	1,365	(170)	1,924
- Bank deposit (pledged)	(14,000)	-	(14,000)	-
Cash used in operations	<u>(23,701)</u>	<u>(2,648)</u>	<u>(24,777)</u>	<u>(3,289)</u>
Interest received	113	138	173	260
Income tax refunded	-	704	-	704
Net cash used in operating activities (i)	<u>(23,588)</u>	<u>(1,806)</u>	<u>(24,604)</u>	<u>(2,325)</u>
Cash flows from investing activities				
Purchases of property, plant and equipment	-	(257)	-	(647)
Purchases of financial assets, available-for-sale	-	(7,272)	-	(7,272)
Proceeds from disposal of financial assets, available-for-sale	372	310	408	615
Proceeds from disposal of non-current asset held for sale, net	-	3,303	-	3,303
Dividends received	31	42	31	42
Net cash provided by/(used in) investing activities	<u>403</u>	<u>(3,874)</u>	<u>439</u>	<u>(3,959)</u>
Cash flows from financing activities				
Borrowing (ii)	8,700	-	8,700	-
Dividends paid to equity holders of the Company	(1,322)	(1,322)	(1,322)	(1,322)
Net cash provided by/(used in) financing activities	<u>7,378</u>	<u>(1,322)</u>	<u>7,378</u>	<u>(1,322)</u>
Net decrease in cash and cash equivalents	<u>(15,807)</u>	<u>(7,002)</u>	<u>(16,787)</u>	<u>(7,606)</u>
Cash and cash equivalents at beginning of financial period	56,198	44,487	56,237	45,500
Effects of currency translation on cash and cash equivalents	(1,036)	(222)	(95)	(631)
Cash and cash equivalents at end of financial period	<u>39,355</u>	<u>37,263</u>	<u>39,355</u>	<u>37,263</u>

Notes:

- (i) The deficit in cash from operations was mainly related to the bank deposit pledged to bank during the 2nd quarter, decrease in revenue and gross loss for the period.
- (ii) The borrowing was taken for the project in Japan.
- (iii) For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	30 Jun 09	30 Jun 08
Cash and bank balances	53,355	37,263
Less: bank deposit pledged	(14,000)	-
Cash and cash equivalents per consolidated statement of cash flows	<u>39,355</u>	<u>37,263</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

	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
2009					
As at 1 Jan 2009	140,038	(5,378)	269	9,555	144,484
Total comprehensive income/(loss) for the period	---	883	(261)	143	765
As at 31 Mar 2009	140,038	(4,495)	8	9,698	145,249
Total comprehensive income/(loss) for the period	---	(582)	220	(2,275)	(2,637)
Dividends paid	---	---	---	(1,322)	(1,322)
As at 30 Jun 2009	140,038	(5,077)	228	6,101	141,290

STATEMENT OF CHANGES IN EQUITY – GROUP

	Share capital S\$'000	Currency translation reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000	Minority interests S\$'000	Total Equity S\$'000
2008							
As at 1 Jan 2008	140,038	(6,323)	2	7,627	141,344	1,798	143,142
Total comprehensive income/(loss) for the period	---	(210)	(1,253)	1,264	(199)	13	(186)
As at 31 Mar 2008	140,038	(6,533)	(1,251)	8,891	141,145	1,811	142,956
Total comprehensive income/(loss) for the period	---	133	(2,087)	182	(1,772)	(174)	(1,946)
Dividends paid	---	---	---	(1,322)	(1,322)	---	(1,322)
As at 30 Jun 2008	140,038	(6,400)	(3,338)	7,751	138,051	1,637	139,688

STATEMENT OF CHANGES IN EQUITY – COMPANY

	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
2009				
As at 1 Jan 2009	140,038	269	18,944	159,251
Total comprehensive income/(loss) for the period	---	(199)	3,214	3,015
As at 31 Mar 2009	140,038	70	22,158	162,266
Total comprehensive income/(loss) for the period	---	88	(4,032)	(3,944)
Dividends paid	---	---	(1,322)	(1,322)
As at 30 Jun 2009	140,038	158	16,804	157,000

STATEMENT OF CHANGES IN EQUITY – COMPANY

	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total Equity S\$'000
2008				
As at 1 Jan 2008	140,038	(948)	4,731	143,821
Total comprehensive loss for the period	---	(490)	(538)	(1,028)
As at 31 Mar 2008	140,038	(1,438)	4,193	142,793
Total comprehensive income/(loss) for the period	---	(1,591)	724	(867)
Dividends paid	---	---	(1,322)	(1,322)
As at 30 Jun 2008	140,038	(3,029)	3,595	140,604

- 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 2009

	Options as at 1 Jan 09	Lapsed	Options as at 30 Jun 09
ESOS Grant 1999	174,250	---	174,250
ESOS Grant 2001	150,000	---	150,000
ESOS Grant 2002	975,000	---	975,000
TOTAL	1,299,250	---	1,299,250

SHARE OPTIONS AS AT 30 JUN 2008

	Options as at 1 Jan 08	Lapsed	Options as at 30 Jun 08
ESOS Grant 1999	249,250	---	249,250
ESOS Grant 2001	225,000	---	225,000
ESOS Grant 2002	1,037,500	---	1,037,500
TOTAL	1,511,750	---	1,511,750

- 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 2009 was 528,613,759 (31 Dec 2008: 528,613,759). The Group and Company have no treasury share for both years.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The Group and Company have no treasury share.

- 2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditor.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The accounting policies and methods of computations applied by the Group are consistent with those used in its audited financial statements as at 31 December 2008, 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 2009, the Group adopted FRS 1(R) Presentation of Financial Statements. FRS 1(R) requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from components of comprehensive income. Component of comprehensive income are presented in a separate statement of comprehensive income.

The 'Balance sheets' and 'Consolidated cash flow statement' have been re-titled to 'Statements of financial position' and 'Consolidated statement of cash flows' respectively.

Comparatives for 2008 have been restated to conform to the requirements of the revised standards.

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 2 nd quarter ended 30 Jun		GROUP Half year ended 20 Jun	
	2009	2008	2009	2008
	Unaudited	Unaudited	Unaudited	Unaudited
Earnings/(loss) per ordinary share of the Group for the year, after deducting any provision for preference dividends:-				
Continuing and discontinued operations				
(i) Based on the weighted average number of ordinary shares on issue (in cents)	(0.43)	0.03	(0.40)	0.27
(ii) On a fully diluted basis (in cents)	(0.43)	0.03	(0.40)	0.27
Continuing operations				
(i) Based on the weighted average number of ordinary shares on issue (in cents)	(0.43)	0.05	(0.40)	0.26
(ii) On a fully diluted basis (in cents)	(0.43)	0.05	(0.40)	0.26

Note

The basic and diluted earnings per share calculation as at 30 Jun 2009 are based on the number of shares of 528,613,759 (30 Jun 2008: 528,613,759).

There was no material impact on prior period EPS on adoption of the revised FRS as discussed in item 5.

**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 Jun 2009	31 Dec 2008 Audited	30 Jun 2009	31 Dec 2008 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:-	26.73 cents	27.33 cents	29.70 cents	30.13 cents
Number of existing issued shares excluding treasury shares at end of the financial period/year:	528,613,759	528,613,759	528,613,759	528,613,759

There was no material impact on prior period net asset value per ordinary share on adoption of the revised FRS as discussed in item 5.

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 revenue decreased by 97.0 per cent to S\$0.012 million for the 2nd quarter ended 30 June 2009 as compared to S\$0.4 million recorded for the same period of the previous year. The decrease in Group revenue was attributed essentially to slower sales of the Zhuhai property due to the continuing impact of the global economic crisis.

The Group registered an after-tax loss attributable to shareholders of S\$2.275 million and S\$2.132 million for the 2nd quarter and 1st half year ended 30 June 2009 respectively which was mainly due to an unrealised foreign exchange translation loss and operating costs.

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

No forecast or prospect statement has been previously disclosed to shareholders.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Following months of executing the strategic plan of buying residential apartments at distressed prices in Japan, the Group has made its first acquisition of an apartment project in Tsukuba, Japan, which comprises 51 newly completed units, details of which were announced on 29th June 2009. For the remaining period of the financial year, the Group continues its thrust on its buy-sell of residential as well as commercial properties in Japan.

The Group will continue to sell the remaining completed units of apartments and commercial properties in Zhuhai, although the sales is expected to remain subdued given the current economic situation.

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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable.

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

- 15. A breakdown of sales.**

Not applicable.

- 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

BY ORDER OF THE BOARD

Lauw Hui Kian
Director
7 August 2009

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) 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 second quarter ended 30 June 2009 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

7 August 2009