

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

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

**1(a) 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 THE 3rd QUARTER ENDED 30 SEP 2009**

	Group 3 rd quarter ended 30 Sep			Group 9 Months ended 30 Sep		
	2009 S\$'000	2008 S\$'000	Increase/ (decrease) %	2009 S\$'000	2008 S\$'000	Increase/ (decrease) %
Continuing operations						
Revenue	2,276	10,570	(78.5)	2,306	16,842	(86.3)
Cost of revenue	(2,032)	(10,582)	(80.8)	(2,202)	(14,199)	(84.5)
Gross profit/(loss)	244	(12)	NM	104	2,643	(96.1)
Other income	123	191	(35.6)	579	598	(3.2)
Other (losses)/gains, net	(601)	8,855	NM	(624)	9,969	NM
Expenses						
Distribution and marketing	(198)	(358)	(44.7)	(438)	(690)	(36.5)
Administrative	(1,069)	(1,241)	(13.9)	(3,259)	(3,333)	(2.2)
Finance	(16)	(1)	NM	(24)	(4)	NM
Other	(1)	(98)	(99.0)	(3)	(108)	(97.2)
	(1,284)	(1,698)	(24.4)	(3,724)	(4,135)	(9.9)
(Loss)/profit before income tax	(1,518)	7,336	NM	(3,665)	9,075	NM
Income tax (expense)/credit	(11)	72	NM	4	(318)	NM
(Loss)/profit from continuing operations	(1,529)	7,408	NM	(3,661)	8,757	NM
Discontinued operations						
Profit from discontinued operations	-	-	NM	-	130	(100.0)
(Loss)/profit for the year	(1,529)	7,408	NM	(3,661)	8,887	NM
Other comprehensive income, net of tax						
Financial assets, available-for-sale						
- Fair value gain/(loss)	219	(1,728)	NM	285	(5,182)	NM
- Disposal	(162)	-	NM	(269)	(26)	NM
Currency translation differences	(386)	992	NM	(85)	861	NM
Disposal of subsidiary	-	(379)	(100.0)	-	(379)	(100.0)
Other comprehensive loss for the year, net of tax	(329)	(1,115)	(70.5)	(69)	(4,726)	(98.5)
Total comprehensive (loss)/income for the year	(1,858)	6,293	NM	(3,730)	4,161	NM
Total comprehensive loss/(income) attributable to:						
Owners of the parent						
- Continuing operations	(1,858)	7,930	NM	(3,730)	5,862	NM
- Discontinued operations	-	-	NM	-	97	(100.0)
Minority Interest	-	(1,637)	(100.0)	-	(1,798)	(100.0)
	(1,858)	6,293	NM	(3,730)	4,161	NM

- (i) Profit for the year 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)
	2009	2008	(decrease)	2009	2008	(decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Amortisation of leasehold properties	29	32	(9.4)	88	85	3.5
Depreciation (Note 8)	124	153	(19.0)	390	398	(2.0)
Foreign exchange loss/(gain) (Note 9)	831	(408)	NM	990	273	NM
Gain on disposal of financial assets, available-for-sale (Note 10)	(230)	-	NM	(393)	(341)	15.3
Gain on disposal of non-current asset, held for sale	-	-	NA	-	(1,494)	(100.0)
Gain on disposal of subsidiary (Reversal of impairment of)/impairment	-	(9,570)	(100.0)	-	(9,570)	(100.0)
loss of other asset, net	-	7	(100.0)	(25)	47	NM
Impairment loss on financial assets, available-for-sale	-	427	(100.0)	-	427	(100.0)
Interest income (Note 2)	(22)	(148)	(85.1)	(266)	(408)	(34.8)
Dividend income	-	-	NA	(31)	(42)	(26.2)

Notes

1. Gross profit
The gross profit, net off the loss from Zhuhai property Club House due to its depreciation expenses exceeding the operating revenue, was attributed from the Tsukuba, Japan project.
2. Other income
The decrease was attributed mainly to the decrease in interest income due to lower interest rate prevailing during the 3rd quarter of 2009 as compared to the same period of the previous year.
3. Other (losses)/gains, net
Other losses in the 3rd quarter of 2009 was mostly from unrealised translation losses whereas the other gains in the 3rd quarter of 2008 was attributed mainly to the divestment of the entire shares of a subsidiary, Thinsoft (Holdings) Inc.
4. Distribution and marketing
This was due to the decrease in advertising expenses for the promotion of the property development project in Zhuhai, China.
5. Administrative
This was mainly related to lower operating expenses in Zhuhai, China.
6. Finance
It was mainly related to bank interest arising from the Company's borrowing.
7. Expenses - other
The decrease was mainly due to lower other expenses incurred in Zhuhai, China.
8. The decrease in depreciation was due solely to the translation of Chinese RMB to Singapore Dollars.
9. The foreign exchange loss was mainly due to the weakening of the average exchange rate of United States Dollar against the Singapore Dollar during the 3rd quarter of 2009 as well as the weakening of the Chinese RMB against the Singapore Dollars compared with the 3rd quarter of 2008. This loss 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.
10. This gain was from the disposal of quoted shares.

NM: Not meaningful

NA: Not applicable

1(b)(i) A statements of financial position (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 Sep 2009	31 Dec 2008	30 Sep 2009	31 Dec 2008
	S\$'000	Audited S\$'000	S\$'000	Audited S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	56,108	56,237	41,737	43,903
Trade receivables	6,261	6,475	15	21
Other receivables (i)	757	2,327	98	93
Tax recoverable	1,205	1,221	565	565
Properties held for sale (ii)	8,929	-	-	-
Properties developed for sale	22,256	22,138	-	-
Property under development	36,144	36,000	-	-
	<u>131,660</u>	<u>124,398</u>	<u>42,415</u>	<u>44,582</u>
Non-current assets				
Financial assets, available-for-sale (iii)	4,526	5,128	433	1,128
Other receivables	-	-	73,339	75,708
Other assets (iv)	150	125	-	-
Investment in associated companies	-	-	-	-
Investment in subsidiaries	-	-	40,609	31,909
Prepaid leasehold properties	6,563	6,778	-	-
Land held for development	6,515	6,515	6,515	6,515
Property, plant and equipment	10,452	11,053	91	146
Deferred tax asset	7	-	-	-
	<u>28,213</u>	<u>29,599</u>	<u>120,987</u>	<u>115,406</u>
Total assets	<u>159,873</u>	<u>153,997</u>	<u>163,402</u>	<u>159,988</u>
LIABILITIES				
Current liabilities				
Bank loan (v)	8,990	-	8,990	-
Trade payables	5,276	5,292	65	67
Other payables (vi)	4,851	2,917	342	634
Current income tax liabilities	1,324	1,304	36	36
	<u>20,441</u>	<u>9,513</u>	<u>9,433</u>	<u>737</u>
Total liabilities	<u>20,441</u>	<u>9,513</u>	<u>9,433</u>	<u>737</u>
NET ASSETS	<u>139,432</u>	<u>144,484</u>	<u>153,969</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	(5,463)	(5,378)	-	-
Fair value reserve	285	269	118	269
Retained earnings	4,572	9,555	13,813	18,944
Total equity	<u>139,432</u>	<u>144,484</u>	<u>153,969</u>	<u>159,251</u>

Notes

- (i) The decrease was derived mainly from the full repayment of the loan given to third parties.
- (ii) This was due to the addition of property held for sale in Japan and Zhuhai, China.
- (iii) The decrease in financial assets, available-for-sale was mainly attributed to the disposal of investments.
- (iv) This increase was due to the reversal of impairment of other asset.
- (v) This was a secured bank loan facility taken in 2009 for the project in Japan.
- (vi) The increase was largely due to amount received in advance for property projects in Zhuhai, China and 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 Sep 09		As at 31 Dec 08	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
8,990	Nil	Nil	Nil

Amount repayable after one year

As at 30 Sep 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 September 2009, the Group's borrowing were secured by a pledge of bank deposit of S\$14 million (2008: 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

	<u>Group</u>		<u>Group</u>	
	3 rd quarter ended 30 Sep 2009	2008	9 months ended 30 Sep 2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
(Loss)/profit for the year	(1,529)	7,408	(3,661)	8,887
Adjustments for				
- Income tax expense/(credit)	11	(72)	(4)	318
- Depreciation	124	153	390	398
- Amortisation of prepaid leasehold properties	29	32	88	85
- Unrealised translation losses/(gains)	790	(1,413)	1,017	(986)
- Gain on disposal of a subsidiary	-	(9,570)	-	(9,570)
- Gain on disposal of financial assets, available-for-sale	(230)	-	(393)	(341)
- Gain on disposal of non-current assets, held for sale	-	-	-	(1,494)
- Impairment loss on financial assets, available-for-sale	-	427	-	427
- (Reversal of impairment of)/impairment loss of other asset, net	-	7	(25)	47
- Interest income	(22)	(148)	(266)	(408)
- Dividend income	-	-	(31)	(42)
	<u>(827)</u>	<u>(3,176)</u>	<u>(2,885)</u>	<u>(2,679)</u>
Change in working capital, net of effects from disposal of subsidiary				
- Properties	(331)	418	(9,191)	2,692
- Inventories	-	-	-	(11)
- Trade and other receivables	1,524	998	1,835	(6,974)
- Trade and other payables	2,381	(531)	2,211	1,393
- Bank deposit (pledged)	-	-	(14,000)	-
Cash generated from/(used in) operations	<u>2,747</u>	<u>(2,291)</u>	<u>(22,030)</u>	<u>(5,579)</u>
Interest received	42	148	215	408
Income tax (paid)/refunded	-	(84)	-	619
Net cash provided by/(used in) operating activities	<u>2,789</u>	<u>(2,227)</u>	<u>(21,815)</u>	<u>(4,552)</u>
Cash flows from investing activities				
Purchases of property, plant and equipment	-	68	-	(579)
Purchases of financial assets, available-for-sale	-	-	-	(7,272)
Proceeds from disposal of a subsidiary, net of cash disposed	-	10,146	-	10,146
Proceeds from disposal of financial assets, available-for-sale	527	-	935	615
Proceeds from disposal of non-current asset held for sale, net	-	-	-	3,303
Dividends received	-	-	31	42
Net cash (used in)/provided by investing activities	<u>527</u>	<u>10,214</u>	<u>966</u>	<u>6,255</u>
Cash flows from financing activities				
Proceeds from borrowing	-	-	8,700	-
Dividends paid to equity holders of the Company	-	-	(1,322)	(1,322)
Net cash provided by/(used in) financing activities	<u>-</u>	<u>-</u>	<u>7,378</u>	<u>(1,322)</u>
Net increase/(decrease) in cash and cash equivalents	<u>3,316</u>	<u>7,987</u>	<u>(13,471)</u>	<u>381</u>
Cash and cash equivalents at beginning of financial period	39,355	37,263	56,237	45,500
Effects of currency translation on cash and cash equivalents	(563)	1,257	(658)	626
Cash and cash equivalents at end of financial period	<u>42,108</u>	<u>46,507</u>	<u>42,108</u>	<u>46,507</u>

Notes:

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

	30 Sep 09	30 Sep 08
Cash and bank balances	56,108	46,507
Less: bank deposit pledged	(14,000)	-
Cash and cash equivalents per consolidated statement of cash flows	<u>42,108</u>	<u>46,507</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	---	301	(41)	(2,132)	(1,872)
Dividends paid	---	---	---	(1,322)	(1,322)
As at 30 Jun 2009	140,038	(5,077)	228	6,101	141,290
Total comprehensive income/(loss) for the period	---	(386)	57	(1,529)	(1,858)
As at 30 Sep 2009	140,038	(5,463)	285	4,572	139,432

**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 Interest 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	---	(77)	(3,340)	1,446	(1,971)	(161)	(2,132)
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
Total comprehensive income/(loss) for the period	---	2,044	(1,392)	7,278	7,930	(1,637)	6,293
As at 30 Sep 2008	140,038	(4,356)	(4,730)	15,029	145,981	---	145,981

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 loss for the period	---	(111)	(818)	(929)
Dividends paid	---	---	(1,322)	(1,322)
As at 30 Jun 2009	140,038	158	16,804	157,000
Total comprehensive income/(loss) for the period	---	(40)	(2,991)	(3,031)
As at 30 Sep 2009	140,038	118	13,813	153,969

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	---	(2,081)	186	(1,895)
Dividends paid	---	---	(1,322)	(1,322)
As at 30 Jun 2008	140,038	(3,029)	3,595	140,604
Total comprehensive income/(loss) for the period	---	(1,492)	13,061	11,569
As at 30 Sep 2008	140,038	(4,521)	16,656	152,173

- 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 2009

	Options as at 1 Jan 09	Lapsed	Options as at 30 Sep 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 SEP 2008

	Options as at 1 Jan 08	Lapsed	Options as at 30 Sep 08
ESOS Grant 1999	249,250	---	249,250
ESOS Grant 2001	225,000	---	225,000
ESOS Grant 2002	1,037,500	62,500	975,000
TOTAL	1,511,750	62,500	1,449,250

- 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 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		GROUP	
	3 rd quarter ended 30 Sep 2009 Unaudited	30 Sep 2008 Unaudited	9 months ended 30 Sep 2009 Unaudited	30 Sep 2008 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)	(0.29)	1.40	(0.69)	1.67
(ii) On a fully diluted basis (in cents)	(0.29)	1.40	(0.69)	1.67
Continuing operations				
(i) Based on the weighted average number of ordinary shares on issue (in cents)	(0.29)	1.40	(0.69)	1.66
(ii) On a fully diluted basis (in cents)	(0.29)	1.40	(0.69)	1.66

Note

The basic and diluted earnings per share calculation as at 30 Sep 2009 are based on the number of shares of 528,613,759 (30 Sep 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 Sep 2009	31 Dec 2008 Audited	30 Sep 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:-	26.38 cents	27.33 cents	29.13 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 to S\$2.276 million for the 3rd quarter ended 30 September 2009 when compared to S\$10.570 million recorded for the same period of the previous year. The 78.5 per cent. decrease in Group revenue was attributed essentially to slower sales of the Zhuhai property.

3rd quarter sales of S\$2.276 million resulted mainly from the sales of apartment units from the Tsukuba project which was acquired on 29 June 2009.

The Group registered an after-tax loss from operations of S\$1.529 million and S\$3.661 million was partly due to an unrealised foreign exchange translation loss of about S\$0.831 million and S\$0.990 million for the 3rd quarter and 9 months ended 30 September 2009 respectively.

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.

The Group will continue to sell the remaining units of apartments and commercial properties in Zhuhai. Sales of apartment units from the Tsukuba project in Japan is on-going and expected to see continued contribution in the 4th quarter.

The Group is also in the process of looking at distressed properties in the United States of America and has made an announcement on the 15 October 2009 on the establishment of a wholly owned subsidiary called Palladio Properties LLC for this purpose.

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
30 October 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 third quarter ended 30 Sep 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

30 October 2009