**IPC CORPORATION LTD**
**(Company Registration No. 198501057M)**
**1st Quarter Financial Statement**

**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 1st QUARTER ENDED 31 MARCH 2011**

| | Group | | |
|---|---|---|---|
| | 31 Mar 2011 S$'000 | 31 Mar 2010 S$'000 | Increase/ (decrease) % |
| Sales | 28,239 | 7,319 | NM |
| Cost of sales | (23,396) | (6,228) | NM |
| Gross profit | 4,843 | 1,091 | NM |
| Other income | 117 | 100 | 17.0 |
| Other (losses)/gains, net | (144) | 919 | NM |
| Expenses | | | |
| Distribution and marketing | (43) | (105) | (59.0) |
| Administrative | (1,751) | (1,405) | 24.6 |
| Finance | (264) | (6) | NM |
| Other | (1) | (1) | 0.0 |
| | (2,059) | (1,517) | 35.7 |
| Profit before income tax | 2,757 | 593 | NM |
| Income tax expense | (91) | (109) | (16.5) |
| Profit for the year | 2,666 | 484 | NM |
| **Other comprehensive loss, net of tax** | | | |
| Financial assets, available-for-sale | | | |
| - Fair value loss | (13) | (151) | (91.4) |
| Currency translation differences arising from consolidation | (892) | (61) | NM |
| **Other comprehensive loss, net of tax** | (905) | (212) | NM |
| **Total comprehensive income** | 1,761 | 272 | NM |
| **Profit attributable to:** | | | |
| - Equity holders of the Company | 2,607 | 484 | NM |
| - Non-controlling interests | 59 | - | NA |
| | 2,666 | 484 | NM |
| **Total comprehensive income attributable to:** | | | |
| - Equity holders of the Company | 1,702 | 272 | NM |
| - Non-controlling interests | 59 | - | NA |
| | 1,761 | 272 | NM |

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

| | Group | | |
|---|---|---|---|
| | 31 Mar 2011 | 31 Mar 2010 | Increase/ (decrease) |
| | S$'000 | S$'000 | % |
| Amortisation of leasehold properties | 26 | 28 | (7.1) |
| Depreciation (Note 8) | 80 | 116 | (31.0) |
| Foreign exchange loss/(gains), net (Note 9) | 137 | (310) | NM |
| Gain on disposal of investment in associated company | - | (599) | (100.0) |
| Impairment loss of/(reversal of impairment of) other asset | 3 | (10) | NM |
| Interest income (Note 10) | (30) | (27) | 11.1 |
| Interest expenses (Note 6) | 264 | 2 | NM |

Notes

1. Gross profit
   The increase in gross profit was in tandem with the increase in sales.

2. Other income
   The increase was mainly due to rental income in China.

3. Other (losses)/gains, net
   Other losses in 2011 were mainly attributable to unrealised foreign exchange loss whereas the other gains in 2010 were mostly derived from gain on disposal of investment in associated company and unrealised foreign exchange gains.

4. Distribution and marketing expenses
   The decrease in distribution and marketing expenses was related to expenses in China.

5. Administrative expenses
   The increase was mainly attributed to the expenses incurred for projects in Japan.

6. Finance expenses
   The increase was primarily due to interest expenses incurred on increased borrowings in China and Japan.

7. Income tax expense
   Taxation was mainly related to deferred income tax in Japan and land appreciation tax in China.

8. Depreciation
   The decrease was due to certain assets that have been fully depreciated as well as the translation of the weakened Chinese RMB to Singapore dollars.

9. The weakening of the average exchange rate of United States Dollar and Chinese RMB against the Singapore Dollar resulted in foreign exchange loss. This was mainly unrealised, due to recorded monetary balances denominated in foreign currencies that were adjusted to reflect the exchange rates at the balance sheet date.

10. The increase in interest income for the quarter under review was in tandem with the increase in bank balances.

NM: Not meaningful (change more than 100%)
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**

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Mar 2011 | 31 Dec 2010 Audited | 31 Mar 2011 | 31 Dec 2010 Audited |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **ASSETS** | | | | |
| **Current assets** | | | | |
| Cash and cash equivalents | 73,055 | 68,717 | 56,705 | 46,363 |
| Trade and other receivables | 5,307 | 4,986 | 331 | 106 |
| Tax recoverable | 595 | 605 | - | - |
| Properties held for sale (i) | 4,527 | 5,638 | - | - |
| Properties developed for sale | 19,332 | 19,356 | - | - |
| Properties under development (ii) | 37,575 | 50,118 | - | - |
| Non-current asset held for sale | 2,404 | 2,440 | - | - |
| | 142,795 | 151,860 | 57,036 | 46,469 |
| **Non-current assets** | | | | |
| Financial assets, available-for-sale (iii) | 4,881 | 8,867 | 218 | 169 |
| Other receivables | - | - | 60,060 | 63,900 |
| Prepayment (iv) | 351 | 392 | - | - |
| Other asset | 165 | 168 | - | - |
| Investment in associates | - | - | - | - |
| Investment in subsidiaries | - | - | 60,163 | 59,850 |
| Investment properties | 42,104 | 42,924 | - | - |
| Prepaid leasehold properties | 5,957 | 6,073 | - | - |
| Land held for development | 6,515 | 6,515 | 6,515 | 6,515 |
| Property, plant and equipment | 6,782 | 6,973 | 16 | 23 |
| Deferred income tax assets (v) | 2 | 7 | - | - |
| | 66,757 | 71,919 | 126,972 | 130,457 |
| **Total assets** | 209,552 | 223,779 | 184,008 | 176,926 |
| **LIABILITIES** | | | | |
| **Current liabilities** | | | | |
| Borrowings (vi) | 31,866 | 37,429 | 31,195 | 24,973 |
| Trade and other payables (vii) | 6,423 | 13,597 | 2,910 | 687 |
| Current income tax liabilities | 539 | 501 | - | - |
| | 38,828 | 51,527 | 34,105 | 25,660 |
| **Non-current liabilities** | | | | |
| Borrowings (vi) | 21,643 | 22,553 | - | - |
| Deferred income tax liabilities | 1,268 | 1,254 | - | - |
| | 22,911 | 23,807 | - | - |
| **Total liabilities** | 61,739 | 75,334 | 34,105 | 25,660 |
| **NET ASSETS** | 147,813 | 148,445 | 149,903 | 151,266 |
| **EQUITY** | | | | |
| **Capital and reserves attributable to equity holders of the Company** | | | | |
| Share capital | 140,038 | 140,038 | 140,038 | 140,038 |
| Currency translation reserve | (7,180) | (6,288) | - | - |
| Fair value reserve | 895 | 908 | (97) | (146) |
| Retained earnings | 11,633 | 9,026 | 9,962 | 11,374 |
| | 145,386 | 143,684 | 149,903 | 151,266 |
| **Non-controlling interests** | 2,427 | 4,761 | - | - |
| **Total equity** | 147,813 | 148,445 | 149,903 | 151,266 |

**Notes**

(i) The decrease was mainly due to sales of residential properties in USA.

(ii) The decrease in properties under development was primarily attributable to the completion of a condominium project in Uraga, Japan and the sales were recognised during the quarter under review.

(iii) The decrease was due to disposal of financial assets, available-for-sale in China.

(iv) The decrease was mainly due to the translation of the weakened Chinese RMB to Singapore dollars.

(v) This relates to deferred income tax assets in Japan.

(vi) The decrease was due to the repayment of borrowings.

(vii) The decrease was mainly due to the payment made for a condominium project in Uraga, 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 31 Mar 2011 | | As at 31 Dec 2010 | |
|---|---|---|---|
| Secured | Unsecured | Secured | Unsecured |
| S$'000 | S$'000 | S$'000 | S$'000 |
| 31,866 | Nil | 37,429 | Nil |

### Amount repayable after one year

| As at 31 Mar 2011 | | As at 31 Dec 2010 | |
|---|---|---|---|
| Secured | Unsecured | Secured | Unsecured |
| S$'000 | S$'000 | S$'000 | S$'000 |
| 21,643 | Nil | 22,553 | Nil |

### Details of any collateral

The Group's borrowings were secured by a pledge of bank deposit, a property in Zhuhai and investment properties in Japan.

## 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 | |
|---|---|---|
| | 31 Mar 2011 | 31 Mar 2010 |
| | S$'000 | S$'000 |
| **Cash flows from operating activities** | | |
| Profit for the year | 2,666 | 484 |
| Adjustments for | | |
| - Income tax expense | 91 | 109 |
| - Depreciation | 80 | 116 |
| - Amortisation of prepaid leasehold properties | 26 | 28 |
| - Unrealised translation losses | (488) | (322) |
| - Gain on disposal of investment in associated company | - | (599) |
| - Loss on disposal of property, plant and equipment | 4 | - |
| - Impairment loss of/(reversal of impairment of) other asset | 3 | (10) |
| - Interest income | (30) | (27) |
| - Interest expenses | 264 | 2 |
| | 2,616 | (219) |
| Change in working capital | | |
| - Properties | 13,654 | (1,169) |
| - Trade and other receivables | (280) | (2,185) |
| - Trade and other payables | (9,486) | 1,429 |
| - Bank deposit (pledged) | (1,999) | 11,350 |
| Cash provided by operations | 4,505 | 9,206 |
| Interest received | 30 | 27 |
| Interest paid | (264) | (2) |
| Income tax paid, net | (1) | (12) |
| **Net cash provided by operating activities** | 4,270 | 9,219 |
| **Cash flows from investing activities** | | |
| Purchases of property, plant and equipment | - | (38) |
| Proceeds from disposal of property, plant and equipment | 5 | - |
| Proceeds from disposal of investment in associated company | - | 998 |
| Proceeds from disposal of financial assets, available-for-sale | 3,920 | - |
| **Net cash provided by investing activities** | 3,925 | 960 |
| **Cash flows from financing activities** | | |
| Proceeds from borrowings (i) | 6,699 | 2,379 |
| Repayment of borrowings | (11,813) | (8,817) |
| **Net cash used in financing activities** | (5,114) | (6,438) |
| **Net increase in cash and cash equivalents** | 3,081 | 3,741 |
| Cash and cash equivalents at beginning of financial period | 38,507 | 41,395 |
| Effects of currency translation on cash and cash equivalents | (741) | 519 |
| **Cash and cash equivalents at end of financial period** | 40,847 | 45,655 |

**Notes:**

(i) The borrowing was taken for the project in Japan.

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

| | 31 Mar 2011 | 31 Mar 2010 |
|---|---|---|
| Cash and bank balances | 73,055 | 48,305 |
| Less: bank deposit pledged | (32,208) | (2,650) |
| Cash and cash equivalents per consolidated statement of cash flows | 40,847 | 45,655 |

**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 S$'000 | Non-controlling interests S$'000 | Total Equity S$'000 |
|---|---|---|---|---|---|---|---|
| **2011** | | | | | | | |
| As at 1 Jan | 140,038 | (6,288) | 908 | 9,026 | 143,684 | 4,761 | 148,445 |
| Total comprehensive (loss)/income for the period | --- | (892) | (13) | 2,607 | 1,702 | 59 | 1,761 |
| Distribution to non-controlling interests | --- | --- | --- | --- | --- | (2,393) | (2,393) |
| As at 31 Mar | 140,038 | (7,180) | 895 | 11,633 | 145,386 | 2,427 | 147,813 |

| **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 |
|---|---|---|---|---|---|
| **2010** | | | | | |
| As at 1 Jan | 140,038 | (5,772) | 150 | 5,524 | 139,940 |
| Total comprehensive (loss)/income for the period | --- | (61) | (151) | 484 | 272 |
| As at 31 Mar | 140,038 | (5,833) | (1) | 6,008 | 140,212 |

| **STATEMENT OF CHANGES IN EQUITY – COMPANY** | Share capital S$'000 | Fair value reserve S$'000 | Retained earnings S$'000 | Total Equity S$'000 |
|---|---|---|---|---|
| **2011** | | | | |
| As at 1 Jan | 140,038 | (146) | 11,374 | 151,266 |
| Total comprehensive income/(loss) for the period | --- | 49 | (1,412) | (1,363) |
| As at 31 Mar | 140,038 | (97) | 9,962 | 149,903 |

| **STATEMENT OF CHANGES IN EQUITY – COMPANY** | Share capital S$'000 | Fair value reserve S$'000 | Retained earnings S$'000 | Total Equity S$'000 |
|---|---|---|---|---|
| **2010** | | | | |
| As at 1 Jan | 140,038 | 71 | 17,446 | 157,555 |
| Total comprehensive loss for the period | --- | (107) | (88) | (195) |
| As at 31 Mar | 140,038 | (36) | 17,358 | 157,360 |

**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 31 MAR 2011**

| | Options as at 1 Jan 2011 | Lapsed | Options as at 31 Mar 2011 |
|---|---|---|---|
| ESOS Grant 2001 | 150,000 | --- | 150,000 |
| ESOS Grant 2002 | 975,000 | --- | 975,000 |
| TOTAL | 1,125,000 | --- | 1,125,000 |

**SHARE OPTIONS AS AT 31 MAR 2010**

| | Options as at 1 Jan 2010 | Lapsed | Options as at 31 Mar 2010 |
|---|---|---|---|
| ESOS Grant 2001 | 150,000 | --- | 150,000 |
| ESOS Grant 2002 | 975,000 | --- | 975,000 |
| TOTAL | 1,125,000 | --- | 1,125,000 |

**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 31 Mar 2011 was 528,613,759 (31 Dec 2010: 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 2010, 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 2011, the Group adopted the Amendments to FRS 24 – Related party and disclosures. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

The adoption of this amended FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

| | Group | |
|---|---|---|
| | 31 Mar 2011 | 31 Mar 2010 |
| 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) | 0.49 | 0.09 |
| (ii) On a fully diluted basis (in cents) | 0.49 | 0.09 |

Note

The basic and diluted earnings per share calculation as at 31 Mar 2011 are based on the number of shares of 528,613,759 (31 Mar 2010: 528,613,759).

**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 | |
|---|---|---|---|---|
| | 31 Mar 2011 | 31 Dec 2010 Audited | 31 Mar 2011 | 31 Dec 2010 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:- | 27.50 cents | 27.18 cents | 28.36 cents | 28.62 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 |

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Group sales increased to S$28.239 million for the 1$^{st}$ quarter ended 31 March 2011 when compared to S$7.319 million recorded for the same period of the previous year. The significant increase was attributed essentially to income generated from the Group's business hotels and the condominium project at Uraga, Japan, which was completed earlier than expected and delivered to buyers.

The increase in sales has resulted in a higher gross profit of approximately S$4.843 million against the comparative figure of S$1.091 million. Correspondently, the Group registered an after-tax profit attributable to shareholders of S$2.607 million for the 1st quarter ended 31 March 2011.

**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 main highlight for the quarter under review was the purchase of a piece of land to develop a 6-storey condominium project comprising 38 apartment units at Tsukimino, Japan ("Tsukimino Project"). Tsukimino is located in the northern part of Kanagawa Prefecture. Construction has commenced and completion is scheduled by end of December 2011.

While the Group remains engaged in its property investment and development activities in Japan, the level of such activities may be affected by the March 11 earthquake and radiation leak in near term.

The buy-sell activity of Single Family Residential ("SFR") units in USA is ongoing. Similarly, the Group's unit in China continues its property consulting and investment (PCI) activity in the 2nd tier cities.

**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
29 April 2011

**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 first quarter ended 31 March 2011 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

29 April 2011