

**IPC CORPORATION LTD**  
**(Company Registration No. 198501057M)**  
**2<sup>nd</sup> 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 2<sup>nd</sup> QUARTER ENDED 30 JUNE 2014**

	<u>Group</u> 2 <sup>nd</sup> quarter ended 30 Jun			<u>Group</u> Half year ended 30 Jun		
	2014 S\$'000	2013 S\$'000	Increase/ (decrease) %	2014 S\$'000	2013 S\$'000	Increase/ (decrease) %
Sales	9,450	23,687	(60.1)	16,913	26,284	(35.7)
Cost of sales	(5,404)	(20,002)	(73.0)	(9,576)	(20,849)	(54.1)
<b>Gross profit/(loss)</b>	<b>4,046</b>	<b>3,685</b>	<b>9.8</b>	<b>7,337</b>	<b>5,435</b>	<b>35.0</b>
Other income	270	380	(28.9)	588	722	(18.6)
Other gains/(losses), net	(1,077)	4,772	NM	(2,109)	10,405	NM
Expenses						
Distribution and marketing	(650)	(33)	NM	(1,185)	(60)	NM
Administrative	(2,991)	(2,223)	34.5	(5,455)	(4,274)	27.6
Finance	(910)	(317)	NM	(1,775)	(680)	NM
Other	-	-	-	-	(4)	(100.0)
	<b>(4,551)</b>	<b>(2,573)</b>	<b>76.9</b>	<b>(8,415)</b>	<b>(5,018)</b>	<b>67.7</b>
<b>Profit/(loss) before income tax</b>	<b>(1,312)</b>	<b>6,264</b>	<b>NM</b>	<b>(2,599)</b>	<b>11,544</b>	<b>NM</b>
Income tax expense	(441)	(709)	(37.8)	(652)	(1,267)	(48.5)
<b>Total profit/(loss)</b>	<b>(1,753)</b>	<b>5,555</b>	<b>NM</b>	<b>(3,251)</b>	<b>10,277</b>	<b>NM</b>
<b>Other comprehensive income/(loss), net of tax</b>						
Items that may be reclassified subsequently to profit or loss:						
Financial assets, available-for-sale						
- Disposal	-	(38)	(100.0)	-	(295)	(100.0)
- Fair value gain/(loss)	46	(36)	NM	180	18	NM
Currency translation gain/(loss) arising from consolidation	557	(2,315)	NM	(578)	(9,027)	(93.6)
<b>Other comprehensive income/(loss), net of tax</b>	<b>603</b>	<b>(2,389)</b>	<b>NM</b>	<b>(398)</b>	<b>(9,304)</b>	<b>(95.7)</b>
<b>Total comprehensive income/(loss)</b>	<b>(1,150)</b>	<b>3,166</b>	<b>NM</b>	<b>(3,649)</b>	<b>973</b>	<b>NM</b>
<b>Profit/(loss) attributable to:</b>						
- Equity holders of the Company	(1,840)	5,454	NM	(3,451)	10,052	NM
- Non-controlling interests	87	101	(13.9)	200	225	(11.1)
	<b>(1,753)</b>	<b>5,555</b>	<b>NM</b>	<b>(3,251)</b>	<b>10,277</b>	<b>NM</b>
<b>Total comprehensive income/(loss) attributable to:</b>						
- Equity holders of the Company	(1,237)	3,065	NM	(3,849)	748	NM
- Non-controlling interests	87	101	(13.9)	200	225	(11.1)
	<b>(1,150)</b>	<b>3,166</b>	<b>NM</b>	<b>(3,649)</b>	<b>973</b>	<b>NM</b>

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

	Group			Group		
	2 <sup>nd</sup> quarter ended 30 Jun		Increase/ (decrease) %	Half year ended 30 Jun		Increase/ (decrease) %
2014	2013	2014		2013		
	S\$'000	S\$'000	S\$'000	S\$'000		
Amortisation of leasehold properties	18	18	37	36		
Depreciation	61	63	127	163		
Fair value gain on asset revaluation	–	(2,303)	–	(4,020)		
Foreign exchange losses/(gains), net (Note 8)	1,077	(2,392)	2,109	(6,097)		
Gain on disposal of financial assets, available-for-sale	–	(80)	–	(440)		
Loss on disposal of assets capitalised in property under development	–	3	–	152		
Interest income (Note 2)	(219)	(334)	(456)	(591)		
Interest expenses (Note 6)	910	317	1,775	680		
Dividend income	–	–	–	(36)		

#### Notes

##### 1. Gross profit

The increase in gross profit for 2<sup>nd</sup> quarter under review was mainly contributed by three additional business hotels (nest HOTEL Sapporo ekimae, nest HOTEL naha and nest HOTEL osaka shinsabashi) which were acquired in May 2013, July 2013 and October 2013, respectively.

##### 2. Other income

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

##### 3. Other gains/(losses), net

Other losses for the 2<sup>nd</sup> quarter 2014 were contributed by losses in unrealised foreign exchange (note 8). Other gains for the 2<sup>nd</sup> quarter 2013 were contributed by gains in unrealised foreign exchange and gain in fair value on asset revaluation.

##### 4. Distribution and marketing

The increase was mainly related to the marketing & advertising expenses for Oppama and Oiso projects in Japan.

##### 5. Administrative expenses

The increase was mainly due to the re-branding expense incurred for nest HOTEL sapporo odori and nest HOTEL osaka shinsabashi in Japan, and pre-operating expense for Grand nest HOTEL zhuhai in China.

##### 6. Finance expenses

The increase was mainly due to interest expenses incurred on additional borrowing for project in Japan comparing the two periods under review.

##### 7. Income tax expenses

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

##### 8. The movement in the exchange rates of Japanese Yen against the Singapore Dollar resulted in foreign exchange loss. The losses 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**

	<u>Group</u>		<u>Company</u>	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	85,491	86,221	60,168	65,768
Trade and other receivables (i)	2,193	2,495	342	289
Tax recoverable (ii)	1,042	1,897	–	–
Properties developed for sale (iii)	75,506	42,655	–	–
Properties under development (iii)	–	42,920	–	–
	<u>164,232</u>	<u>176,188</u>	<u>60,510</u>	<u>66,057</u>
<b>Non-current assets</b>				
Financial assets, available-for-sale	21,194	21,319	12,950	12,717
Other receivables	–	–	56,831	59,077
Prepayment (iv)	100	182	–	–
Other asset	156	156	–	–
Investment in associated companies	–	–	–	–
Investment in subsidiaries	–	–	106,032	106,059
Investment properties	120,664	116,772	–	–
Prepaid leasehold properties	3,925	4,202	–	–
Land held for development	6,422	6,422	6,422	6,422
Property, plant and equipment	6,678	7,001	117	142
Deferred income tax assets	3	3	–	–
	<u>159,142</u>	<u>156,057</u>	<u>182,352</u>	<u>184,417</u>
<b>Total assets</b>	<u>323,374</u>	<u>332,245</u>	<u>242,862</u>	<u>250,474</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Borrowings (v)	81,241	67,469	57,411	57,792
Trade and other payables (vi)	6,642	8,848	741	942
Current income tax liabilities	347	378	–	–
	<u>88,230</u>	<u>76,695</u>	<u>58,152</u>	<u>58,734</u>
<b>Non-current liabilities</b>				
Borrowings (v)	48,643	62,566	–	–
Deferred income tax liabilities	6,354	6,035	–	–
	<u>54,997</u>	<u>68,601</u>	<u>–</u>	<u>–</u>
<b>Total liabilities</b>	<u>143,227</u>	<u>145,296</u>	<u>58,152</u>	<u>58,734</u>
<b>NET ASSETS</b>	<u>180,147</u>	<u>186,949</u>	<u>184,710</u>	<u>191,740</u>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	169,658	169,658	169,658	169,658
Currency translation reserve	(19,285)	(18,707)	–	–
Fair value reserve	1,575	1,395	1,062	829
Retained earnings	25,170	31,606	13,990	21,253
	<u>177,118</u>	<u>183,952</u>	<u>184,710</u>	<u>191,740</u>
<b>Non-controlling interests</b>	3,029	2,997	–	–
<b>Total equity</b>	<u>180,147</u>	<u>186,949</u>	<u>184,710</u>	<u>191,740</u>

**Notes**

- (i) The decrease was due to the utilisation of prepayment in China.
- (ii) The decrease was due to the tax recoverable in Japan.
- (iii) The increase/decrease was mainly due to reclassification of properties under development to properties developed for sale.
- (iv) The decrease was due to the transfer of non-current prepayment to current prepayment in China.
- (v) The increase/decrease was mainly due to the transfer of non-current bank borrowings to current bank borrowings.
- (vi) The decrease was due to payment made to the creditors 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 Jun 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
75,241	6,000	61,469	6,000

**Amount repayable after one year**

<u>Group</u>		<u>Group</u>	
As at 30 Jun 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
48,643	Nil	62,566	Nil

**Details of any collateral**

The Group's borrowings were secured by pledge of prepaid leasehold property, leasehold building and property under development in Zhuhai, China, investment properties in Japan, certain bank deposits and certain financial assets, available-for-sale.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Group		Group	
	2 <sup>nd</sup> quarter ended 30 Jun 2014	2013	Half year ended 30 Jun 2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Total profit/(loss)	(1,753)	5,555	(3,251)	10,277
Adjustments for				
- Income tax expense	441	709	652	1,267
- Depreciation	61	63	127	163
- Amortisation of prepaid leasehold properties	18	18	37	36
- Unrealised translation losses/(gains)	1,398	(2,899)	2,589	(6,082)
- Gain on disposal of financial assets, available-for-sale	-	(80)	-	(440)
- Loss on disposal of assets capitalised in property under development	-	3	-	152
- Fair value gain on asset valuation	-	(2,303)	-	(4,020)
- Interest income	(219)	(334)	(456)	(591)
- Interest expenses	910	317	1,775	680
- Dividend income	-	-	-	(36)
	856	1,049	1,473	1,406
Change in working capital				
- Inventories	-	-	-	32
- Properties	5,280	12,200	7,767	(1,082)
- Trade and other receivables	1,030	(422)	1,194	3,704
- Trade and other payables	(471)	(10,244)	(2,653)	(2,873)
Cash generated from/(used in) operations	6,695	2,583	7,781	1,187
Interest received	168	356	517	490
Income tax paid, net	(291)	(146)	(555)	(302)
<b>Net cash provided by/(used in) operating activities</b>	<b>6,572</b>	<b>2,793</b>	<b>7,743</b>	<b>1,375</b>
<b>Cash flows from investing activities</b>				
Purchases of financial assets, available-for-sale	-	(1,067)	-	(2,567)
Purchases of investment property	-	(7,198)	-	(7,198)
Purchases of property, plant and equipment	(55)	-	(65)	-
Proceeds from disposal of financial assets, available-for-sale	-	3,066	-	12,745
Dividends received	-	-	-	36
<b>Net cash provided by/(used in) investing activities</b>	<b>(55)</b>	<b>(5,199)</b>	<b>(65)</b>	<b>3,016</b>
<b>Cash flows from financing activities</b>				
Bank deposit (pledged)	818	(7,635)	1,151	(9,923)
Interest paid	(760)	(317)	(1,325)	(680)
Proceeds from borrowings	-	11,966	-	17,731
Repayment of borrowings	(1,824)	(4,858)	(3,427)	(5,737)
Distribution to non-controlling interests	(61)	(51)	(168)	(162)
Dividends paid to equity holders of the Company	(2,985)	(2,132)	(2,985)	(2,132)
<b>Net cash provided by/(used in) financing activities</b>	<b>(4,812)</b>	<b>(3,027)</b>	<b>(6,754)</b>	<b>(903)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,705</b>	<b>(5,433)</b>	<b>924</b>	<b>3,488</b>
Cash and cash equivalents at beginning of financial period	35,521	36,388	36,495	27,201
Effects of currency translation on cash and cash equivalents	(310)	268	(503)	534
<b>Cash and cash equivalents at end of financial period</b>	<b>36,916</b>	<b>31,223</b>	<b>36,916</b>	<b>31,223</b>

**Notes:**

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

	30 Jun 2014	30 Jun 2013
	S\$'000	S\$'000
Cash and bank balances	85,491	81,354
Less: bank deposit pledged	(48,575)	(50,131)
Cash and cash equivalents per consolidated statement of cash flows	36,916	31,223

**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			
<b>2014</b>								
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	–	(1,135)	134	(1,611)	(2,612)	113	(2,499)	
Distribution to non-controlling interests	–	–	–	–	–	(107)	(107)	
As at 31 Mar	169,658	(19,842)	1,529	29,995	181,340	3,003	184,343	
Total comprehensive income/(loss) for the period	–	557	46	(1,840)	(1,237)	87	(1,150)	
Distribution to non-controlling interests	–	–	–	–	–	(61)	(61)	
Dividends paid	–	–	–	(2,985)	(2,985)	–	(2,985)	
As at 30 Jun	169,658	(19,285)	1,575	25,170	177,118	3,029	180,147	

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			
<b>2013</b>								
As at 1 Jan	169,658	(10,562)	1,469	15,506	176,071	2,789	178,860	
Total comprehensive income/(loss) for the period	–	(6,712)	(203)	4,598	(2,317)	124	(2,193)	
Distribution to non-controlling interests	–	–	–	–	–	(111)	(111)	
As at 31 Mar	169,658	(17,274)	1,266	20,104	173,754	2,802	176,556	
Total comprehensive income/(loss) for the period	–	(2,315)	(74)	5,454	3,065	101	3,166	
Distribution to non-controlling interests	–	–	–	–	–	(51)	(51)	
Dividends paid	–	–	–	(2,132)	(2,132)	–	(2,132)	
As at 30 Jun	169,658	(19,589)	1,192	23,426	174,687	2,852	177,539	

#### STATEMENT OF CHANGES IN EQUITY – COMPANY

	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>2014</b>				
As at 1 Jan	169,658	829	21,253	191,740
Total comprehensive income/(loss) for the period	–	121	(2,791)	(2,670)
As at 31 Mar	169,658	950	18,462	189,070
Total comprehensive income/(loss) for the period	–	112	(1,487)	(1,375)
Dividends paid	–	–	(2,985)	(2,985)
As at 30 Jun	169,658	1,062	13,990	184,710

#### STATEMENT OF CHANGES IN EQUITY – COMPANY

	Share capital S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
<b>2013</b>				
As at 1 Jan	169,658	794	11,213	181,665
Total comprehensive income/(loss) for the period	–	(158)	5,126	4,968
As at 31 Mar	169,658	636	16,339	186,633
Total comprehensive income/(loss) for the period	–	(41)	4,095	4,054
Dividends paid	–	–	(2,132)	(2,132)
As at 30 Jun	169,658	595	18,302	188,555

- 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 Jun 2014 was 852,920,638 (31 Dec 2013: 852,920,638). The Group and Company have no treasury share for both years.

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

The Group and Company have no treasury share.

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

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

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

Not applicable.

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

The accounting policies and methods of computations applied by the Group are consistent with those used in its audited financial statements as at 31 December 2013, except for those as disclosed under item 5 below.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

FRS 110 Consolidated Financial Statements

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

FRS 112 Disclosure of Interests in Other Entities

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

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

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

	<u>Group</u>		<u>Group</u>	
	2 <sup>nd</sup> quarter ended 30 Jun		Half year ended 30 Jun	
	2014	2013	2014	2013
Earnings per ordinary share of the Group for the year, after deducting any provision for preference dividends:-				
(i) Based on the weighted average number of ordinary shares on issue (in cents)	(0.22)	0.64	(0.40)	1.18
(ii) On a fully diluted basis (in cents)	(0.22)	0.64	(0.40)	1.18

**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 Jun 2014	31 Dec 2013 Audited	30 Jun 2014	31 Dec 2013 Audited
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at the end of the financial period/year:-	20.77 cents	21.57 cents	21.66 cents	22.48 cents
Number of existing issued shares excluding treasury shares at end of the financial period/year:	852,920,638	852,920,638	852,920,638	852,920,638

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

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group recorded sales of S\$9.450 million for the 2<sup>nd</sup> quarter ended 30 June 2014 as compared to S\$23.687 million for the same period of the previous year.

The decrease in sales for the 2<sup>nd</sup> quarter under review as compared to the same period last year was mainly due to the following:

- i) in 2<sup>nd</sup> Q 2013 – about 76% of apartment units of the Oppama project were sold.
- ii) in 2<sup>nd</sup> Q 2014 – remaining balance (about 13%) of apartment units of the Oppama project were sold.

The gross profit has increased by 9.8% to S\$4.046 million as compared to S\$3.685 million of the same quarter of the previous year.

The increase in gross profit was mainly contributed by the following three additional hotels in Japan:

- i) the seventh business hotel, nest HOTEL sapporo ekimae, Sapporo, where completion of the purchase was on 1<sup>st</sup> May 2013;
- ii) the eighth business hotel, nest HOTEL naha, Okinawa, where completion of the purchase was on 1<sup>st</sup> July 2013; and
- iii) the ninth business hotel, nest HOTEL osaka shinsaibashi, Osaka, where completion of the purchase was on 11<sup>th</sup> October 2013.

Notwithstanding an increase in the gross profit, the Group recorded a loss before tax of S\$1.312 million and an after-tax loss of S\$1.753 million for the 2<sup>nd</sup> quarter ended 30 June 2014 mainly due to the following:

- i) The Group's other losses of S\$1.077 million (due to unrealised foreign exchange losses resulting mainly from the strengthening of exchange rate of Japanese Yen against Singapore dollars on the Group's Japanese Yen loans);
- ii) The distribution & marketing expenses incurred for development properties projects in Japan; and
- iii) The increase in administrative expenses incurred for the pre-operating expense in Grand nest HOTEL zhuhai, in China.



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 (Q1 FY2014) and the actual results are in line with the commentary.

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

The Group will continue to sell the remaining stock of completed apartment units of Oiso project in Japan and to evaluate opportunities in respect of its hotel portfolio.

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 2<sup>nd</sup> quarter ended 30 June 2014 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

31 July 2014

**BY ORDER OF THE BOARD**

Lauw Hui Kian  
Director  
31 July 2014