

IPC CORPORATION LTD
(Company Registration No. 198501057M)
Full Year Financial Statement and Dividend 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 PROFIT & LOSS ACCOUNT FOR THE YEAR
 ENDED 31 DEC 2005**

	Group		
	2005	2004	Increase/ (Decrease)
	S\$'000	S\$'000	%
Revenue	40,228	33,261	20.9
Cost of sales	(32,071)	(27,383)	17.1
Gross profit	<u>8,157</u>	<u>5,878</u>	<u>38.8</u>
Other income	9,734	4,628	NM
Selling and distribution costs	(1,941)	(3,720)	(47.8)
General and administrative costs	(6,793)	(6,535)	3.9
Other operating costs	(989)	(2,055)	(51.9)
Profit/(loss) from operating activities	<u>8,168</u>	<u>(1,804)</u>	<u>NM</u>
Finance costs	(9)	(7)	28.6
Operating profit/(loss) from operations before taxation and minority interests	<u>8,159</u>	<u>(1,811)</u>	<u>NM</u>
Taxation	525	602	(12.8)
Profit/(loss) for the year	<u>8,684</u>	<u>(1,209)</u>	<u>NM</u>
Attributable to:			
Equity holders of the Company	8,558	(627)	NM
Minority interests	126	(582)	NM
Profit/(loss) for the year	<u>8,684</u>	<u>(1,209)</u>	<u>NM</u>

(i) Profit/(loss) from operating activities is arrived at after charging/(crediting) the following:

	2005	2004	Increase/ (Decrease)
	S\$'000	S\$'000	%
Depreciation and amortisation (Notes 2)	556	2,440	(77.2)
Provision/(write back) for bad and doubtful debts	58	(436)	NM
Foreign exchange (gain)/loss	(238)	265	NM
Loss on disposal/write off of plant and equipment	110	342	(67.8)
Impairment in value of other investments	641	193	NM
Gain on de-registration of subsidiary	(86)	-	100.0

	2005	2004	Increase/ (Decrease) %
	S\$'000	S\$'000	
Gains on divestment of other investments	(8,329)	(2,618)	NM
(ii) The breakdown for taxation is as follows:			
Current year	497	5	NM
Overprovision in prior years	(301)	(27)	NM
Deferred tax assets	(721)	–	NM
Tax credit arising from dividends declared by its subsidiary companies	–	(580)	NM

Notes

- Other income
The increase was due to the gains on divestment of other investments.
- Selling and distribution costs (decreased 47.8%)
The decrease was due to no amortisation charge on software development during the year as it had been fully amortised in the prior year.
- Other operating costs (decreased 51.9%)
The decrease was mainly due to voluntary cessation and de-registration of a wholly owned subsidiary, Shanghai Shared Data Network Co., Ltd.
- Foreign exchange gain
The Group does not hedge its foreign exchange exposures. The foreign exchange gain related to recorded monetary balance denominated in foreign currencies that were adjusted to reflect the rates at balance sheet date. The foreign exchange gain was mainly unrealised, and due to the strengthening of the United States Dollars against Singapore Dollars in 2005 as compared with those of year 2004.

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

Balance Sheet

	Group		Company	
	(Unaudited) 31 Dec 2005	(Audited) 31 Dec 2004	(Unaudited) 31 Dec 2005	(Audited) 31 Dec 2004
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS LESS LIABILITIES				
Non-current assets				
Intangible assets, net	–	(638)	–	–
Pledged Deposit	643	–	–	–
Property, plant and equipment, net	12,175	13,166	8,207	8,440
Investment properties	8,730	8,730	8,730	8,730
Properties under development	54,792	62,752	–	–
Investment in subsidiaries/associates	–	79	14,167	14,167
Other Investments	4,825	6,559	4,570	4,452
Long-term receivables	–	–	99,107	101,269
Deferred tax assets	721	–	–	–
Total non-current assets	81,886	90,648	134,781	137,058
Current assets				
Properties held for sale	30,134	53,340	–	–
Properties under development	24,667	–	–	–

Receivables (i)	9,078	11,730	1,338	4,151
Inventories	104	95	–	–
Cash and bank balances	34,935	19,861	11,298	4,343
Total current assets	98,918	85,026	12,636	8,494
Current liabilities				
Trade payables (i)	5,722	6,175	45	87
Other payables (i)	12,284	7,269	1,078	496
Amounts due to subsidiary companies	–	–	38	1,163
Amounts due to associated companies	663	663	–	–
Interest bearing loans, secured	10,400	17,901	–	–
Provision for taxation	77	344	36	36
Total current liabilities	29,146	32,352	1,197	1,782
Net current assets	69,772	52,674	11,439	6,712
Net assets	151,658	143,322	146,220	143,770
EQUITY				
Share capital	105,723	105,723	105,723	105,723
Reserves	44,066	35,877	40,497	38,047
Share capital and reserves	149,789	141,600	146,220	143,770
Minority interests	1,869	1,722	–	–
Total equity	151,658	143,322	146,220	143,770

Notes

- (i) The movement in receivables and trade and other payables was principally in relation to the Zhuhai property development project.
- (ii) The decrease in the short-term loan was due to the full repayment to the bank of the 2004 loan and the taking up of a fresh loan of a lesser amount in 2005.

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 Dec 05		As at 31 Dec 04	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
10,400	Nil	17,901	Nil

Amount repayable after one year

As at 31 Dec 05		As at 31 Dec 04	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
Nil	Nil	Nil	Nil

Details of any collateral

Certain of the properties under development are pledged as securities.

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

GROUP CASHFLOW STATEMENT

	2005	2004
	S\$'000	S\$'000
Cashflow from operating activities:		
Profit/(loss) before taxation	8,159	(1,811)
Adjustments for non-cash items	(8,065)	(87)
Operating cashflow before reinvestment in working capital	94	(1,898)
Working capital changes, excluding changes relating to cash (i)	6,828	1,915
Cash generated from operations	6,922	17
Net interest and income tax	430	114
Net cash generated from operating activities	7,352	131
Cash flow from investing activities		
Purchase of plant and equipment	(486)	(1,004)
Proceeds from sale of plant and equipment	892	181
Net decrease in investment/development properties	6,499	7,581
Proceeds from divestment in other investments	14,538	2,869
Proceeds from associated company, return of capital	74	---
Dividends income from other investments	270	---
Acquisition of subsidiary, net of cash acquired	---	4,006
De-registration of subsidiary, net of cash disposed (ii)	(188)	---
Pledged deposit	(643)	---
Bank Escrow	(418)	---
Purchase of other investments	(4,396)	---
Net cash generated from investing activities	16,142	13,633
Cash flow from financing activities :		
(Repayment)/proceeds from short-term loans, secured	(17,901)	7,501
Proceeds from short-term loans, secured	10,400	---
Repayment of long-term loans, secured	---	(20,800)
Dividends payment	(1,322)	---
Payment of finance lease liabilities	(15)	(45)
Net cash used in financing activities	(8,838)	(13,344)
Net increase in cash and cash equivalents	14,656	420
Cash and cash equivalents at beginning of year	19,861	19,441
Cash and cash equivalents at end of year (iii)	34,517	19,861

Notes:

- (i) The working capital changes were mainly due to the following in relation to Zhuhai property:
- (a) decrease in receivables and
- (b) increase in other payables
- (ii) The assets disposed and liabilities discharged and the cash flow effect of the de-registration of a subsidiary were:

	2005	2004
	S\$'000	S\$'000
Cash and bank balances	188	---
Payables	(279)	---
Receivables/Inventories	5	---
Net assets disposed	(86)	---
Gain on de-registration of subsidiary	86	---
Total consideration	---	---
Less: Cash and bank balances disposed	(188)	---
Cash outflow on de-registration of subsidiary	(188)	---

(iii) The cash and bank balances consist of the following:

	2005	2004
	S\$'000	S\$'000
Cash at banks and in hand	34,935	19,861
Pledged deposit	643	---
	<u>35,578</u>	<u>19,861</u>
Less: Pledged deposit	(643)	---
Bank Escrow	(418)	---
Cash and cash equivalents at year end	<u>34,517</u>	<u>19,861</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	Share premium (i)	Asset revaluation reserve	Foreign currency translation reserve	Other reserve (ii)	Accumulated Profit/(loss) (i)	Total	Minority Interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 Jan 05, as previously reported	105,723	355,111	2,279	(6,346)	---	(315,167)	141,600	1,722	143,322
Effects of adopting									
FRS 39	---	---	---	---	8,841	---	8,841	---	8,841
FRS 103	---	---	---	---	---	638	638	---	638
As at 1 Jan 05, restated	105,723	355,111	2,279	(6,346)	8,841	(314,529)	151,079	1,722	152,801
Transfer arising from Capital Restructuring	---	(320,656)	---	---	---	320,656	---	---	---
Exercise Profit for the financial year	---	---	---	---	---	8,558	8,558	126	8,684
Dividends paid	---	---	---	---	---	(1,322)	(1,322)	---	(1,322)
Transfer to profit and loss on sale of investments	---	---	---	---	(7,758)	---	(7,758)	---	(7,758)
Net fair value changes in investments	---	---	---	---	(363)	---	(363)	---	(363)
Translation adjustment for the financial year	---	---	---	(314)	---	---	(314)	21	(293)
Impairment loss on property, plant and equipment	---	---	(91)	---	---	---	(91)	---	(91)
As at 31 Dec 05	<u>105,723</u>	<u>34,455</u>	<u>2,188</u>	<u>(6,660)</u>	<u>720</u>	<u>13,363</u>	<u>149,789</u>	<u>1,869</u>	<u>151,658</u>

STATEMENT OF CHANGES IN EQUITY – COMPANY	Share capital	Share premium (i)	Asset revaluation reserve	Foreign currency translation reserve	Other reserve (ii)	Accumulated profit/(loss) (i)	Total	Minority interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 Jan 05, as previously reported	105,723	354,971	2,279	---	---	(319,203)	143,770	---	143,770
Effects of adopting FRS 39	---	---	---	---	8,825	---	8,825	---	8,825
As at 1 Jan 05, restated	105,723	354,971	2,279	---	8,825	(319,203)	152,595	---	152,595
Transfer arising from Capital Restructuring Exercise	---	(320,656)	---	---	---	320,656	---	---	---
Dividends paid	---	---	---	---	---	(1,322)	(1,322)	---	(1,322)
Transfer to profit and loss on sale of investments	---	---	---	---	(7,734)	---	(7,734)	---	(7,734)
Net fair value changes in investments	---	---	---	---	(371)	---	(371)	---	(371)
Profit for the financial year	---	---	---	---	---	3,143	3,143	---	3,143
Impairment loss on property, plant and equipment	---	---	(91)	---	---	---	(91)	---	(91)
As at 31 Dec 05	105,723	34,315	2,188	---	720	3,274	146,220	---	146,220

STATEMENT OF CHANGES IN EQUITY – GROUP	Share capital	Share premium	Asset revaluation reserve	Foreign currency translation reserve	Other reserve	Accumulated Profit/(loss)	Total	Minority interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 Jan 04	105,723	355,111	2,279	(6,743)	---	(314,540)	141,830	1,444	143,274
Loss for the financial year	---	---	---	---	---	(627)	(627)	(582)	(1,209)
Minority interests upon acquisition of subsidiary	---	---	---	---	---	---	---	889	889
Translation adjustment for the financial year	---	---	---	397	---	---	397	(29)	368
As at 31 Dec 04	105,723	355,111	2,279	(6,346)	---	(315,167)	141,600	1,722	143,322

STATEMENT OF CHANGES IN EQUITY – COMPANY	Share capital	Share premium	Asset revaluation reserve	Foreign currency translation reserve	Other reserve	Accumulated Profit/(loss)	Total	Minority interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 Jan 04	105,723	354,971	2,279	---	---	(320,656)	142,317	---	142,317
Profit for the financial year	---	---	---	---	---	1,453	1,453	---	1,453
As at 31 Dec 04	105,723	354,971	2,279	---	---	(319,203)	143,770	---	143,770

Notes

- (i) The Company had undergone a Capital Restructuring exercise which comprises of the Share Premium Reduction and the share consolidation by the Company to consolidate every four (4) ordinary shares of par value \$0.05 each into one (1) ordinary share of par value \$0.20 each, effective on 16 Feb 2005.
- (ii) Other reserve comprises Fair Value Reserve arising from other investments.

- 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 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 DEC 2005

	Options as at 1 Jan 05	Cancelled (i)	Lapsed	Options as at 31 Dec 05
ESOS Grant 1999	1,067,000	(800,250)	(17,500)	249,250
ESOS Grant 2001	900,000	(675,000)	---	225,000
ESOS Grant 2002	2,000,000	(1,500,000)	---	500,000
ESOS Grant 2002	4,150,000	(3,112,500)	---	1,037,500
TOTAL	8,117,000	(6,087,750)	(17,500)	2,011,750

SHARE OPTIONS AS AT 31 DEC 2004

	Options as at 1 Jan 04	Options granted during the year	Lapsed	Options as at 31 Dec 04
ESOS Grant 1999	1,089,000	---	(22,000)	1,067,000
ESOS Grant 2001	900,000	---	---	900,000
ESOS Grant 2002	2,000,000	---	---	2,000,000
ESOS Grant 2002	4,400,000	---	(250,000)	4,150,000
TOTAL	8,389,000	---	(272,000)	8,117,000

Note

- (i) The Capital Restructuring Exercise had resulted in the number of Exercisable Share Options being reduced in the same proportion as the ordinary shares of the Company and the exercise price for each Exercisable Share Option had been increased proportionately in accordance with the rules of the IPC Employees' Share Option Scheme.

- 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.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 same accounting policies and methods of computations are followed in the financial statements as compared with the audited financial statements as at 31 Dec 2004 except for the adoption of the new FRSS, which took effect from financial year beginning on or after 1 Jan 2005.

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

The impact of adopting these FRSs is stated as follows:

FRS 39

In accordance with the transitional provisions of FRS 39, adjustment was effected resulting in an increase of \$8.841 million to the equity as at 1 January 2005 arising from the recognition of the fair value of the other investments.

FRS 103

The carrying value of a previously recognised negative goodwill of \$0.638 million had been adjusted to the opening balance of the accumulated profit/(loss) account.

Other than the above, the Group had adopted revisions in other FRSs and these do not have a material financial impact on the Group.

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

	GROUP 2005	2004
Earnings/(loss) per ordinary share of the Group for the financial year, after deducting any provision for preference dividends:-		
(i) Based on the weighted average number of ordinary shares on issue (in cents)	1.62	(0.03)
(ii) On a fully diluted basis (in cents)	1.61	(0.03)

Notes:

- (i) The basic earnings/(loss) per share ("EPS") calculation as at 31 Dec 05 is based on number of shares of 528,613,759 (Dec 04 : 2,114,455,153).
- (ii) The diluted earnings/(loss) per share ("EPS") calculation as at 31 Dec 05 is based on number of shares of 530,625,509 (Dec 04: 2,122,572,153) that included the share option of 2,011,750 (Dec 04: 8,117,000).
- (iii) Please refer to paragraph 1(d)(i) Note (i) on the Capital Restructuring Exercise.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year**

	GROUP		COMPANY	
	2005	2004	2005	2004
Net asset value per ordinary share based on issued share capital of the issuer at the end of the financial year:-				
Number of existing issued share capital at end of the financial year:	528,613,759 (i)	2,114,455,153	528,613,759 (i)	2,114,455,153

Note:

- (i) Please refer to paragraph 1(d)(i) Note (i) on the Capital Restructuring Exercise.

- 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 increased by 20.9 per cent to approximately S\$40.228 million for the period ended 31 Dec 2005 when compared to approximately S\$33.261 million recorded in the previous year.

The Group's thin computing and education businesses accounted for approximately 9.2 per cent and 6.0 per cent of revenue respectively with the remaining 84.8 per cent generated from the residential and commercial property development project in Zhuhai, China (the "property development project").

The increase in Group revenue was attributed to the increase of approximately 21 per cent in sales from the property development project and the increase of approximately 157 per cent from the Group's education business. The Group's thin computing business experienced a slight decrease of approximately 1 per cent in revenue, which was largely due to lower sales of vertical market solutions which includes both hardware and software and carrying lower profit margins.

The Group recorded a gross profit of approximately S\$8.157 million, an increase of 38.8 per cent when compared to S\$5.878 million recorded in the previous year. The significant increase in gross profit is due to the increase in the unit selling prices of the property development project, contribution of student course fees received from the education business and higher gross margin contributed from the thin computing business.

The slight increase of 3.9 per cent on general and administration expenses was primarily attributed to the costs and expenses incurred in the education business. The decrease of 47.8 per cent on selling and distribution costs was due to software development charges which were fully amortized in the previous year. The decrease of 51.9 per cent on other operating cost was mainly due to voluntary cessation and de-registration of a wholly owned subsidiary, Shanghai Shared Data Network Co. Ltd.

The Group recorded a profit after-tax approximately S\$8.684 million as compared to a loss of S\$1.209 million in the previous year. The turnaround was largely due to the profit contribution from the thin computing business, the continued contribution from the property development project and gains generated from the divestment of other investments.

In the period under review, the Group carried out the following corporate exercises and development, which had been previously announced.

IPC Corporation Ltd - Capital Restructuring Exercise

On 25 January 2005, the High Court granted an order for the Company's reduction of its capital by reducing the Company's share premium account by \$320.656 million thus leaving the amount of \$34.315 million standing to the credit of the share premium account thereafter in the books of accounts of the Company (the "Share Premium Reduction"). The Company's share premium account was reduced by \$320.656 million to write off the Company's accumulated losses by the same amount. The total reserves remain the same.

The Capital Restructuring Exercise comprises of the Share Premium Reduction and the share consolidation by the Company to consolidate every four ordinary shares of par value \$0.05 into one ordinary share of par value of \$0.20 each (the "Share Consolidation"). This resulted in the reduction in the number of shares from 2,114,455,153 to 528,613,759, which took effect from 16th February 2005.

IPC Peripherals Pte Ltd - Liquidation of IPC-Transtech Display (Pte) Ltd (“IPCT”)

On 19 April 2005, IPC-Transtech Display (Pte) Ltd, an associated company of IPC Peripherals Pte Ltd (IPC’s subsidiary) has been voluntarily liquidated.

The liquidation of IPCT did not have any significant impact on the financial position of the Group for the current financial year.

IPC Corporation Ltd - Incorporation of Zhuhai Costa Del Sol Club Management Co. Ltd (“Zhuhai Club Management”)

On 29 June 2005, the Group had received approval to incorporate Zhuhai Club Management for the purpose of managing and operating the club house of Costa Del Sol, a property development project of the Group in Zhuhai, PRC. The Group will effectively have 100% shareholdings in Zhuhai Club upon incorporation.

There is no significant financial impact on the current financial year.

IPC Information and Communications Pte Ltd (“IPCIC”) - De-registration of Shanghai Shared Data Network Co. Ltd (“SSDN”)

On 15 July 2005, the Group announced that it had voluntarily ceased the operation and de-register SSDN, a company held under the Group’s wholly-owned subsidiary IPCIC.

The voluntary cessation and de-registration was taken as part of the on-going corporate strategy to dispose its insignificant and non-profitable operations to enable the Group to focus on nurturing its core business.

There is no significant financial impact on the current financial year.

IPC entered into a Co-operation Agreement with ZhongSheng Investment Holdings Pte Ltd – Establishing network of high schools in PRC

On 15 September 2005, IPC Corporation announced that it has entered into a co-operation agreement with ZhongSheng Investment Holdings Pte Ltd to establish a network of high schools with selected premium high schools in the PRC, China.

Under the agreement, IPC and ZhongSheng will jointly invest to set-up high schools in various part of the PRC, China. The co-operation with ZhongSheng enables IPC to strategically expand into the education landscape in the PRC, China.

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 expects continued growth in and contribution from the thin computing business unit and will stay focused executing its R&D plan and marketing activities on Internet reach to bolster its growth.

The Group’s education business is in the gestation and investing period and is not expected to have any significant contributions in the next financial year. Apart from nurturing Nanyang Institute of Management, the Group will seek investment opportunities to garner economies of scale for its education business.

Additionally, the Group will continue with the completion of the residential and commercial property development project in Zhuhai, China. Barring any unforeseen events and circumstances, the Group expects continued contributions from the sales of the completed units of the property project.

11. Dividend

(a) Current Financial Period Reported On

Any dividend proposed for the current financial period reported on? Yes

Name of Dividend	First & Final (tax exempt)
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.25
Optional:- Dividend Rate (in %)	1.25 per ordinary shares
Par value of shares	S\$0.20
Tax Rate	0

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of Dividend	First & Final (tax exempt)
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.25
Optional:- Dividend Rate (in %)	1.25 per ordinary shares
Par value of shares	S\$0.20
Tax Rate	0

(c) Date payable

To be decided later

(d) Books closure date

To be decided later

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

	Thin Computing		Properties		Education		Infocomm Product and Broadband Systems Integration and Others		Eliminations		Consolidated	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sales to external customer	3,716	3,758	34,067	28,120	2,420	941	25	442	---	---	40,228	33,261
Intersegment sales	---	---	---	---	---	---	83	13	(83)	(13)	---	---
Other income	---	---	151	127	---	---	235	244	---	---	386	371
	<u>3,716</u>	<u>3,758</u>	<u>34,218</u>	<u>28,247</u>	<u>2,420</u>	<u>941</u>	<u>343</u>	<u>699</u>	<u>(83)</u>	<u>(13)</u>	<u>40,614</u>	<u>33,632</u>
Unallocated other income											9,348	4,257
Total revenue											<u>49,962</u>	<u>37,889</u>
Segment result	1,099	(1,632)	2,718	(108)	(1,730)	(1,108)	6,081	1,044	---	---	8,168	(1,804)
Finance costs											(9)	(7)
Profit/(loss) before taxation											8,159	(1,811)
Taxation											525	602
Minority interests											(126)	582
Profit/(loss) from ordinary activities											<u>8,558</u>	<u>(627)</u>

Business Segments

	Thin Computing		Properties		Education		Infocomm Product and Broadband Systems Integration and Others		Eliminations		Consolidated	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment assets (Note i)	7,060	5,017	146,614	145,086	3,579	5,377	42,657	33,944	(19,106)	(13,829)	180,804	175,595
Investments in associated companies	---	---	---	---	---	---	---	79	---	---	---	79
Total assets	<u>7,060</u>	<u>5,017</u>	<u>146,614</u>	<u>145,086</u>	<u>3,579</u>	<u>5,377</u>	<u>42,657</u>	<u>34,023</u>	<u>(19,106)</u>	<u>(13,829)</u>	<u>180,804</u>	<u>175,674</u>
Segment liabilities (Note iii)	1,036	893	18,878	21,975	1,578	1,665	7,577	7,475	---	---	29,069	32,008
Unallocated liabilities											77	344
Total liabilities											<u>29,146</u>	<u>32,352</u>
Capital expenditure	---	---	5	44	31	731	450	289	---	---	486	1,064
Depreciation	1	36	108	101	151	71	296	571	---	---	556	779

Amortisation	---	1,619	---	---	---	---	---	42	---	---	---	1,661
Provision of impairment losses	---	---	---	---	---	---	641	699	---	---	641	699
Other significant non-cash expenses	---	---	---	---	---	---	(142)	258	---	---	(142)	258

Geographical segments

	Asia Pacific		America		Europe		Others		Eliminations		Consolidated	
	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000	2005 S\$'000	2004 S\$'000
Sales to external customers	37,005	30,405	1,343	945	1,453	1,688	427	223	---	---	40,228	33,261
Intersegment sales	83	13	---	---	---	---	---	---	(83)	(13)	---	---
Other income	386	371	---	---	---	---	---	---	---	---	386	371
	<u>37,474</u>	<u>30,789</u>	<u>1,343</u>	<u>945</u>	<u>1,453</u>	<u>1,688</u>	<u>427</u>	<u>223</u>	<u>(83)</u>	<u>(13)</u>	<u>40,614</u>	<u>33,632</u>
Unallocated other income											9,348	4,257
Total revenue											<u>49,962</u>	<u>37,889</u>

Other geographical information:

Segment assets (Note ii)	179,821	175,657	983	17	---	---	---	---	---	---	180,804	175,674
Capital expenditure (Note iv)	486	1,064	---	---	---	---	---	---	---	---	486	1,064

Note i Segment assets comprises of property, plant and equipment, intangible assets, investment properties, other investments and current assets.

Note ii Segment assets comprises of property, plant and equipment, intangible assets, investment properties, investments in associated companies, other investments and current assets.

Note iii Segment liabilities comprises of total current and non-current liabilities, excluding tax liabilities.

Note iv Capital expenditure refers to the purchase of property, plant and equipment.

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

The significant increase in revenue in the Asia Pacific region was attributed to the increase of approximately 21 per cent in sales from the property development project and the increase of approximately 157 per cent from the Group's education business.

Results improved in the thin computing business was due to software development charges which were fully amortised in the previous year and higher gross margins achieved through focusing on selling its software products.

The Group's results improved significantly was due to the turnaround of the thin computing business, the continued contribution from the property development project and gains generated from the divestment of other investments.

15. A breakdown of sales

		Group		
		2005	2004	Increase/ (Decrease)
		S\$'000	S\$'000	%
15(a)	Sales reported for first half year	27,995	19,256	45.4
15(b)	Operating profit/(loss) after tax before deducting minority interests reported for first half year	2,201	(1,462)	NM
15(c)	Sales reported for second half year	12,233	14,005	(12.7)
15(d)	Operating profit/(loss) after tax before deducting minority interests reported for second half year	6,483	253	NM

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

Tax Exempt Dividend proposed by the Board : S\$1.32 million (2004: S\$1.32 million).

BY ORDER OF THE BOARD

Lauw Hui Kian
Director
14 February 2006