

IPC CORPORATION LTD

(Company Registration No. 198501057M)

Full Year Financial Statement & 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.

**AUDITED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR
ENDED 31 DEC 2007**

	Group		
	2007 Audited S\$'000	2006 Restated S\$'000	Increase/ (decrease) %
Continuing operations			
Revenue	27,730	29,986	(7.5)
Cost of sales	(18,927)	(28,840)	(34.4)
Gross profit	8,803	1,146	NM
Other income	1,598	1,389	15.0
Other (losses)/gains, net	(451)	862	NM
Expenses			
Distribution and marketing	(1,143)	(1,159)	(1.4)
Administrative	(6,546)	(3,668)	78.5
Finance	(51)	(16)	NM
Other	(285)	(582)	(51.0)
	(8,025)	(5,425)	47.9
Profit/(loss) before income tax	1,925	(2,028)	NM
Income tax (expense)/credit (ii)	(59)	687	NM
Profit/(loss) from continuing operations	1,866	(1,341)	NM
Discontinued operations (iii)			
Loss from discontinued operations	(19)	(1,979)	(99.0)
Total profit/(loss) (i)	1,847	(3,320)	NM
Attributable to:			
Equity holders of the Company			
- Continuing operations	1,702	(1,578)	NM
- Discontinued operations	(19)	(1,617)	(98.8)
Minority interests	164	(125)	NM
Total profit/(loss) (i)	1,847	(3,320)	NM

The 2006 balances have been restated due to prior year adjustments (refer to page 4 item (1)(b)(i) note (v) and the effect of adoption of FRS 40 (refer to page 11 item 5).

(i) Total profit/(loss) is arrived at after charging/(crediting) the following:

	2007 Audited S\$'000	2006 Restated S\$'000	Increase/ (decrease) %
Depreciation	511	568	(10.0)

Allowance for bad and doubtful debts, net	333	113	NM
Foreign exchange loss – net	584	519	12.5
Loss/(gain) on disposal of property plant and equipment	30	(12)	NM
Impairment on financial assets, available-for-sale	114	638	(82.1)
Reversal of impairment loss on other assets	(55)	(47)	17.0
Gain on reduction of interests in former subsidiary company	(189)	–	100.0
Gains on disposal of financial assets, available-for-sale	(222)	(1,960)	(88.7)
Interest income	(1,051)	(913)	15.1
Amortisation of prepaid leasehold properties	165	165	–

(ii) The breakdown for income tax expense is as follows:

	2007 Audited S\$'000	2006 Restated S\$'000	Increase/ (decrease) %
Current year	59	(455)	NM
Over provision in prior year	-	(232)	NM
Total	59	(687)	NM

(iii) Discontinued operations

On 28 February 2007, the Group reduced its equity stake in Nanyang Institute of Management (NIM), the education unit of the Group from 81.5% to 39.9%. As a result of the reduction, the results of NIM has been classified as discontinued operations.

Notes

- Gross profit
The increase in gross profit was primarily due to the higher margins of the property development project and the Thin Computing software products.
- Other income (increased 15.0%)
The increase was due to interest income.
- General and administrative costs (increased 78.5%)
The increase was mainly due to additional property tax from the Zhuhai operation.
- Other expenses (decreased 51.0%)
The increase in allowance for bad and doubtful debts was offset by the writing back of over-accrual in share issuance costs relating to a subsidiary company.
- Foreign exchange loss
The foreign exchange loss related to recorded monetary balances denominated in foreign currencies that were adjusted to reflect the exchange rates at balance sheet date. The foreign exchange loss was mainly unrealised, and was due to the weakening of the United States Dollars against Singapore Dollars in 2007 as compared with that in year 2006.

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.

Audited Balance Sheets

	<u>Group</u>		<u>Company</u>	
	2007 \$'000 Audited	2006 \$'000 Restated	2007 \$'000 Audited	2006 \$'000 Restated
ASSETS				
Current assets				
Cash and cash equivalents	45,500	35,539	21,734	13,363
Trade and other receivables (i)	1,692	4,231	250	568
Inventories	58	65	-	-
Tax recoverable	1,962	2,052	1,323	1,954
Properties developed for sale	20,652	29,926	-	-
Property under development	43,923	46,274	-	-
Non-current asset held for sale	-	7,021	-	7,021
	<u>113,787</u>	<u>125,108</u>	<u>23,307</u>	<u>22,906</u>
Non-current assets				
Financial assets, available-for-sale (iii)	6,181	4,606	3,143	3,144
Other receivables	-	-	74,671	97,917
Other assets	195	140	-	-
Investment in associated companies	-	-	-	-
Investment in subsidiaries	-	-	34,732	12,670
Prepaid leasehold properties (ii)	8,229	8,394	1,809	1,867
Land held for development (ii)	16,797	16,384	6,515	6,515
Property, plant and equipment	10,572	11,252	216	275
Deferred income tax assets	116	521	-	-
	<u>42,090</u>	<u>41,297</u>	<u>121,086</u>	<u>122,388</u>
Total assets	<u>155,877</u>	<u>166,405</u>	<u>144,393</u>	<u>145,294</u>
LIABILITIES				
Current liabilities				
Trade and other payables (iv)	8,706	17,892	536	786
Current income tax liabilities	57	194	36	36
Borrowings (iv)	-	1,974	-	-
	<u>8,763</u>	<u>20,060</u>	<u>572</u>	<u>822</u>
Non-current liabilities				
Advance deposit	3,972	3,948	-	-
Total liabilities	<u>12,735</u>	<u>24,008</u>	<u>572</u>	<u>822</u>
NET ASSETS	<u>143,142</u>	<u>142,397</u>	<u>143,821</u>	<u>144,472</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	140,038	140,038	140,038	140,038
Asset revaluation reserve	-	1,263	-	1,263
Foreign currency translation reserve	(6,323)	(6,242)	-	-
Fair value reserve	2	(353)	(948)	(353)
Retained earnings (v)	7,627	6,003	4,731	3,524
	<u>141,344</u>	<u>140,709</u>	<u>143,821</u>	<u>144,472</u>
Minority interests	1,798	1,688	-	-
Total equity	<u>143,142</u>	<u>142,397</u>	<u>143,821</u>	<u>144,472</u>

The 2006 balances have been restated due to prior year adjustments (refer to page 4 item 1(b)(i) note (v)) and the effect of adoption of FRS 40 (refer to page 11 item 5).

Notes

- (i) The movement in trade and other receivables was principally in relation to the Zhuhai property development project.
- (ii) By adopting FRS 40, certain leasehold properties previously classified as "Investment properties" are now being reclassified as "Prepaid leasehold properties" stated at amortized cost and "Land held for development" stated at cost less impairment losses (Please refer Page 11 Item 5).
- (iii) The increase was due to new investments as well as fair value adjustments.
- (iv) Trade and other payables and borrowings decreased due to repayment made during the year.

(v) **Prior Year Adjustments**

In the current financial year, adjustments were made retrospectively in respect of certain subsidiaries for the following areas in the prior financial years:

(1) Adjustment to income tax expense and tax recoverable

In the prior financial years, management used to provide for tax expense in its subsidiary, IPC Zhuhai Development Property (Zhuhai) Ltd, based on estimated assessable profits derived from accounting gain on the sale of properties. Management has reviewed this practice in the current financial year and is of the opinion that it is more appropriate to recognise tax expense in accordance with how the local PRC tax has been computed (i.e. based on tax values of properties sold). This is the same basis as that adopted in the local statutory financial statements of this subsidiary. This has been adjusted retrospectively and the table below presents the effects of this retrospective adjustment.

(2) Release of translation reserve

IPC Peripherals Inc (USA), a subsidiary of the group, became a dormant company prior to 1 January 2006. As this subsidiary had a US\$ functional currency, there was an amount of S\$397,000 accumulated in the translation reserve of the Group in relation to that subsidiary. This amount was not released to the income statement at the time the subsidiary became dormant. Management has reviewed the treatment in the current financial year and concluded that when the subsidiary became dormant, it should be treated as a disposal of a foreign operation, with a release of the translation reserve in the income statement as required by FRS 21 *The Effects of Changes in Foreign Exchange Rates*. This has been adjusted retrospectively and the table below presents the effects of this retrospective adjustment.

The effects of the above adjustments are as follows:

	As previously reported	Effects of adjustments		As restated
		Increase/(decrease)		
		(1)	(2)	
	S\$'000	S\$'000	S\$'000	S\$'000
The Group				
Balance Sheet				
As at 31 December 2006				
Tax recoverable	4,076	(2,024)	-	2,052
Translation reserve	6,756	(117)	(397)	6,242
Retained earnings (1/1/07)	(8,541)	2,141	397	(6,003)
As at 1 January 2006				
Translation reserve	6,660	-	(397)	6,263
Retained earnings (1/1/06)	(13,073)	2,296	397	(10,380)
Income Statement				
For the year ended 31 December 2006				
Income tax credit	(532)	(155)	-	(687)
Net loss	3,475	(155)	-	3,320

* Previously reported balances included the effects of adoption of FRS 40.

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 07		As at 31 Dec 06	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
Nil	Nil	1,974	Nil

Amount repayable after one year

As at 31 Dec 07		As at 31 Dec 06	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
Nil	Nil	Nil	Nil

Details of any collateral

During the tenure of the loan, certain of the properties under development were pledged as securities. The loan was repaid in 2007.

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

AUDITED CONSOLIDATED CASH FLOW STATEMENT

	2007	<u>Group</u>	2006
	\$'000		\$'000
	Audited		Restated
Cash flows from operating activities			
Total profit/(loss)	1,847		(3,320)
Adjustments for			
- Income tax expense/(credit)	59		(687)
- Depreciation	511		568
- Amortisation of prepaid leasehold properties	165		165
- Unrealised translation gains	(147)		(15)
- Loss/(gain) on disposals of property, plant and equipment	30		(12)
- Gain on disposal of financial assets, available-for-sale	(222)		(1,960)
- Impairment on financial assets, available-for-sale	114		638
- Reversal of impairment loss on other assets	(55)		(47)
- Gain on reduction of interests in former subsidiary company	(189)		-
- Interest income	(1,051)		(913)
- Dividend income	(80)		(14)
	<u>982</u>		<u>(5,597)</u>
Change in working capital, net of effects from derecognition of subsidiary			
- Properties	11,212		9,838
- Inventories	7		39
- Receivables	2,798		1,426
- Payables	(6,618)		(777)
- Restricted cash	-		(987)
- Pledged deposit	-		643
Cash generated from operations	<u>8,381</u>		<u>4,585</u>
Interest received	1,051		913
Income tax refund/(paid)	284		(40)

Net cash generated from operating activities	9,716	5,458
Cash flows from investing activities		
Purchases of property, plant and equipment	(260)	(547)
Proceeds from disposal of property, plant and equipment	22	12
Proceeds from disposal of non-current asset held for sale, net	7,021	-
Purchases of financial assets, available-for-sale	(2,418)	(4,217)
Proceeds from disposal of financial assets, available-for-sale	739	4,591
Dividends received	80	14
Reduction of interest in former subsidiary, net of cash disposed	(238)	-
Net cash generated from/(used in) investing activities	4,946	(147)
Cash flows from financing activities		
Advance deposit received	-	3,948
Repayment of borrowings	(1,974)	(8,320)
Dividends paid to equity holders of the Company	(1,322)	(1,322)
Net cash used in financing activities	(3,296)	(5,694)
Net increase/(decrease) in cash and cash equivalents	11,366	(383)
Cash and cash equivalents at beginning of financial year	34,134	34,517
Cash and cash equivalents at end of financial year	45,500	34,134

Note

The cash and cash equivalents consist of the following:

	2007	2006
	S\$'000	S\$'000
Cash at banks and in hand	45,500	35,539
Less: Restricted cash	---	(1,405)
Cash and cash equivalents	45,500	34,134

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	Asset revaluation reserve	Foreign currency translation reserve	Fair Value reserve	Retained earnings	Total	Minority interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2007									
Beginning of financial year	140,038	---	1,263	(6,242)	(353)	6,003	140,709	1,688	142,397
Financial assets, available-for-sale									
- Fair value gains	---	---	---	---	487	---	487	---	487
- Disposals	---	---	---	---	(132)	---	(132)	---	(132)

Transfer of asset revaluation reserve to retained earnings on disposal of building (ii)	---	---	(1,263)	---	---	1,263	---	---	---
Currency translation differences	---	---	---	(81)	---	---	(81)	(54)	(135)
Net income/(loss) recognised directly in equity	---	---	(1,263)	(81)	355	1,263	274	(54)	220
Net profit	---	---	---	---	---	1,683	1,683	164	1,847
Total recognised income/(loss)	---	---	(1,263)	(81)	355	2,946	1,957	110	2,067
Dividends paid	---	---	---	---	---	(1,322)	(1,322)	---	(1,322)
End of financial year	140,038	---	---	(6,323)	2	7,627	141,344	1,798	143,142

STATEMENT OF CHANGES IN EQUITY – GROUP

2006

	Share capital	Share premium	Asset revaluation reserve	Foreign currency translation reserve	Fair Value reserve	Retained earnings	Total	Minority interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Beginning of financial year									
As previously Reported	105,723	34,455	2,188	(6,660)	720	13,363	149,789	1,869	151,658
Effect of adopting FRS 40(i)	---	---	---	---	---	(290)	(290)	---	(290)
Effect of prior year adjustments	---	---	---	397	---	(2,693)	(2,296)	---	(2,296)
As restated	105,723	34,455	2,188	(6,263)	720	10,380	147,203	1,869	149,072

Financial assets, available-for-sale									
- Fair value gains	---	---	---	---	293	---	293	---	293
- Disposals	---	---	---	---	(1,366)	---	(1,366)	---	(1,366)
Transfer of share premium	34,315	(34,455)	---	---	---	140	---	---	---
Impairment loss on property, plant and equipment	---	---	(925)	---	---	---	(925)	---	(925)
Currency translation differences	---	---	---	(96)	---	---	(96)	(56)	(152)
Net income/(loss) recognised directly in equity									
As previously reported	34,315	(34,455)	(925)	(96)	(1,073)	140	(2,094)	(56)	(2,150)
Effect of prior year adjustments	---	---	---	117	---	---	117	---	117
As restated	34,315	(34,455)	(925)	21	(1,073)	140	(1,977)	(56)	(2,033)

Net loss

As previously reported	---	---	---	---	---	(3,292)	(3,292)	(125)	(3,417)
Effect of adopting FRS 40(i)	---	---	---	---	---	(58)	(58)	---	(58)
Effect of prior year adjustments	---	---	---	---	---	155	155	---	155
As restated	---	---	---	---	---	(3,195)	(3,195)	(125)	(3,320)
Total recognised income(loss)	34,315	(34,455)	(925)	21	(1,073)	(3,055)	(5,172)	(181)	(5,353)
Dividends paid	---	---	---	---	---	(1,322)	(1,322)	---	(1,322)
End of financial year	140,038	---	1,263	(6,242)	(353)	6,003	140,709	1,688	142,397

STATEMENT OF CHANGES IN EQUITY – COMPANY

	Share capital	Share premium	Asset revaluation reserve	Fair value reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2007						
Beginning of financial year						
As previously Reported	140,038	---	1,263	(353)	3,872	144,820
Effect of adopting FRS 40(i)	---	---	---	---	(348)	(348)
As restated	140,038	---	1,263	(353)	3,524	144,472
Financial assets, available-for-sale						
- Fair value gains	---	---	---	(463)	---	(463)
- Disposals	---	---	---	(132)	---	(132)
Transfer of asset revaluation reserve to retained earnings on disposal of building (ii)	---	---	(1,263)	---	1,263	---
Net income recognised directly in equity	---	---	(1,263)	(595)	1,263	(595)
Net profit	---	---	---	---	1,266	1,266
Dividends paid	---	---	---	---	(1,322)	(1,322)
End of financial year	140,038	---	---	(948)	4,731	143,821

STATEMENT OF CHANGES IN EQUITY – COMPANY

	Share capital	Share premium	Asset revaluation reserve	Fair value reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2006						
Beginning of financial year						
As previously Reported	105,723	34,315	2,188	720	3,274	146,220
Effect of adopting FRS 40(i)	---	---	---	---	(290)	(290)
As restated	105,723	34,315	2,188	720	2,984	145,930
Financial assets, available-for-sale						
- Fair value gains	---	---	---	293	---	293

- Disposals	---	---	---	(1,366)	---	(1,366)
Transfer of share premium	34,315	(34,315)	---	---	---	---
Impairment loss on property, plant and equipment	---	---	(925)	---	---	(925)
Net income recognised directly in equity	34,315	(34,315)	(925)	(1,073)	---	(1,998)
Profit for the year	---	---	---	---	1,862	1,862
Dividends paid	---	---	---	---	(1,322)	(1,322)
End of financial year	140,038	---	1,263	(353)	3,524	144,472

Notes

- (i) On adoption of FRS 40, the amortization charge on the Prepaid leasehold properties had been recognised retrospectively (Please refer Page 11 Item 5).
- (ii) Transfer from Asset revaluation reserve to Retained earnings on disposal of the IPC Building.

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 DEC 2007

	Options as at 1 Jan 07	Lapsed	Options as at 31 Dec 07
ESOS Grant 1999	249,250	---	249,250
ESOS Grant 2001	225,000	---	225,000
ESOS Grant 2002	500,000	(500,000)	---
ESOS Grant 2002	1,037,500	---	1,037,500
TOTAL	2,011,750	(500,000)	1,511,750

SHARE OPTIONS AS AT 31 DEC 2006

	Options as at 1 Jan 06	Lapsed	Options as at 31 Dec 06
ESOS Grant 1999	249,250	---	249,250
ESOS Grant 2001	225,000	---	225,000
ESOS Grant 2002	500,000	---	500,000
ESOS Grant 2002	1,037,500	---	1,037,500
TOTAL	2,011,750	---	2,011,750

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares as at 31 December 2007 was 528,613,759 (December 2006 : 528,613,759). The Group and Company has 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 has no treasury share.

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

Yes, It has been audited. Please refer to item 3 on page 10.

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

Extracted from the independent auditor's report to the members of IPC Corporation Ltd:

We have audited the accompanying financial statements of IPC Corporation Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 18 to 80, which comprise the balance sheets of the Company and of the Group as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act (Cap. 50) (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting control sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007, and the results, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditor, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers
Public Accountants and
Certified Public Accountants
Singapore, 31 March 2008

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 adopted in the financial statements as compared with the audited financial statements as at 31 December 2006 except for the adoption of the new and revised Financial Reporting Standards ("FRS"), which took effect from financial year beginning on or after 1 January 2007 (Please refer to 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.

The Group has adopted FRS 40 *Investment Property* which came effective from 1 January 2007. FRS 40 permits investment properties to be stated at either fair value or cost less accumulated depreciation and accumulated impairment losses

The Group had previously accounted for its prepaid leasehold properties as investment properties under FRS 25 *Accounting for Investments*. Under FRS 25, these properties are included in the balance sheet at cost, less accumulated impairment losses.

(a) In 2006, the Group held a partially developed property on which construction has been temporarily stopped. The property was accounted for as an investment property. Under FRS 40, properties in the process of being developed, whether for sale in the ordinary course of business, for use as owner-occupied property, or for future use as investment property, are outside the scope of FRS 40. Consequently, the partially developed property has been reclassified to land held for development.

(b) In 2006, the Group held a leasehold property under operating lease which was leased out to external parties. The leasehold property was accounted for as an investment property. Under FRS 40, for the leasehold property under operating lease to qualify as investment property, it must be stated at fair value and changes in fair values are recognised in the income statement when the changes arise. The Group accounts for investment properties using the cost model on adoption of FRS 40, and consequently, the leasehold property has been reclassified retrospectively as prepaid leasehold properties.

These changes were effected retrospectively and consequently affected the following previous reported income statement items for the financial year ended 31 December 2006.

	<u>Group and Company</u>	
	Increase / (Decrease)	
	31.12.2006	
	Restated	
	\$'000	
Other operating expenses		58
Total loss		58

These changes were effected retrospectively and consequently affected the following previous reported balance sheet items as at 1 January 2006 and 31 December 2006.

	<u>Group and Company</u>	
	Increase / (Decrease)	
	31.12.2006	01.01.2006
	Restated	Restated
	\$'000	
Investment property	(8,730)	(8,730)
Prepaid leasehold properties	1,867	1,925
Land held for development	6,515	6,515
Retained earnings	(348)	(290)

These changes do not materially affect the reported basic and diluted loss per share for the financial year ended 31 December 2006. Other than the above, the Group has adopted various new/revised FRS mandatory for financial periods beginning on or after 1 January 2007. These do not have a material financial impact on the Group's financial statements.

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 Dec 2007 Audited	31 Dec 2006 restated
Earnings/(losses) 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)	0.32	(0.60)
(ii) On a fully diluted basis (in cents)	0.32	(0.60)
Continuing operations		
(i) Based on the weighted average number of ordinary shares on issue (in cents)	0.32	(0.30)
(ii) On a fully diluted basis (in cents)	0.32	(0.30)
Notes		
(i) The basic earnings/(loss) per share ("EPS") calculation as at 31 Dec 07 is based on the number of shares of 528,613,759 (31 Dec 06 : 528,613,759).		
(ii) The diluted earnings/(loss) per share ("EPS") calculation as at 31 Dec 07 is based on the number of shares of 530,125,509 (31 Dec 06: 530,625,509) that included share options of 1,511,750 (31 Dec 06: 2,011,750).		

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 Dec 2007	31 Dec 2006 restated	31 Dec 2007	31 Dec 2006 restated
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at the end of the financial year:-	26.74cents	26.62cents	27.21cents	27.33cents
Number of existing issued shares excluding treasury shares at end of the financial 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 revenue decreased by 7.5% per cent to S\$27.730 million for the period ended 31 December 2007 when compared to S\$29.986 million recorded for the same period of the previous year.

The Group's IT business, the Thin Computing, accounted for approximately 12 per cent of Group revenue with the remaining 88 per cent generated mainly from the residential and commercial property development project in Zhuhai, the PRC (the "property development project").

The decrease in Group revenue was attributed to:

- 1) A decrease of about 6 per cent in sales from the property development project; and
- 2) A decrease of about 19 per cent in sales from the Thin Computing business, which was attributed to lower sales of upgrade kits and vertical market solutions, despite an increase of software sales of 7 per cent for the year ended 31 December 2007

The Group recorded a gross profit of S\$8.803 million, an increase of 668 per cent, when compared to S\$1.146 million recorded for the same period in the previous year. The increase in gross profit was primarily attributed to higher margins of the property development project and the Thin Computing software products.

Other income of S\$1.598 million recorded in the period under review was primarily derived from interest income.

The significant increase in gross profit has enabled the Group to turn in an operating profit from operations before taxation and minority interests of S\$1.925 million. As a result the Group registered a after-tax profit attributable to shareholders of S\$1.683 million.

In the period under review, the Group has concluded three corporate developments, which had been previously announced. They are:

On 28 February 2007 -- Education

The equity stake in Nanyang Institute of Management (NIM), the education unit of the Group, has been reduced from 81.9 per cent to 39.9 per cent. This was a result of new shares issued by NIM to acquire the early childhood education business units of HEG Singapore Pte Ltd (HEG) and for the capital investment received from HEG. Details of which were announced on 28 February 2007.

On 11 July 2007 -- Property

The Group's wholly owned subsidiary Zhuhai IPC Property Development Co. Ltd (Zhuhai IPC) has entered into a property development co-operation agreement with Yantai Dongbozi Enterprise Co Ltd (Dongbozi), for a development of commercial and residential property project in Laishan, Yantai, which comprises of two land parcels of 1,130 mu (or 752,000 sqm to be built with a gross floor area (GFA) of approximately 1.4 million sqm). Details of which were announced on 11 July 2007.

On 30 November 2007 – Change of Core Business

The Group had successfully obtained shareholders' approval on 30 November 2007 to include the Property Business as one of the Group's core business.

On 18 February 2008 - Property

The Group secured a property development project in Bangkok, Thailand ("Bangkok Project"). The Bangkok Project is a proposed 29-storey residential condominium with approximately 629 apartments. Completion is expected in 2010. Details of which were announced on 18 February 2008.

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 contributions from the Thin Computing business and the residential and commercial property development project in Zhuhai, the PRC, which will be fully completed in FY08.

In addition, the Group will continue to carry out the necessary development planning on the property project in Yantai, PRC.

With the net cash on hand, the Group will seek out investment opportunities, in particular property projects in the region, that will synergise with the Group's development objective, enhance growth and shareholder value.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared 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
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
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.**

(a) Primary reporting format – business segments
(Audited)

Group	<u>Thin</u>	<u>Properties</u>	<u>Other</u>	<u>Total for continuing operations</u>	<u>Discontinued operations - education</u>
	<u>Computing</u>				
Financial year ended 31 December 2007					
Sales					
- external sales	3,293	24,310	127	27,730	406
- other income	-	183	175	358	-
	<u>3,293</u>	<u>24,493</u>	<u>302</u>	<u>28,088</u>	<u>406</u>
Unallocated other income	-	-	-	1,240	-
				<u>29,328</u>	<u>406</u>
Segment result	485	2,717	(1,226)	1,976	(19)
Finance expenses				(51)	-
Profit before income tax				1,925	(19)
Income tax expense				(59)	-
Total profit/(loss)				<u>1,866</u>	<u>(19)</u>
Other segment items					
Capital expenditure					
- property, plant and equipment	-	236	14	250	10
Depreciation	-	393	118	511	-
Impairment losses	114	-	(55)	59	-
Other non-cash expenses	-	-	333	333	-
	<u>Thin</u>	<u>Properties</u>	<u>Other</u>	<u>Eliminations</u>	<u>Total for continuing operations</u>
	<u>Computing</u>				
Segment assets	7,538	122,656	113,241	(87,674)	155,761
Unallocated assets					116
Consolidated total assets					<u>155,877</u>
Segment liabilities	494	94,083	94,932	(176,831)	12,678
Unallocated liabilities					57
Consolidated total liabilities					<u>12,735</u>

(b) Secondary reporting format - geographical segments (continued)
(Audited)

	<u>Sales for continuing operations</u>		<u>Sales for discontinued operations</u>		<u>Total consolidated sales</u>	
	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Asia Pacific	24,831	26,213	406	2,167	25,237	28,380
United States of America	1,194	1,914	-	-	1,194	1,914
Europe	1,555	1,424	-	-	1,555	1,424
Other countries	150	435	-	-	150	435
	<u>27,730</u>	<u>29,986</u>	<u>406</u>	<u>2,167</u>	<u>28,136</u>	<u>32,153</u>

	<u>Total consolidated assets</u>	
	2007	2006
	\$'000	\$'000
Asia Pacific	154,281	164,026
United States of America	1,480	1,858
	<u>155,761</u>	<u>165,884</u>
Unallocated assets	116	521
	<u>155,877</u>	<u>166,405</u>

	<u>Capital expenditure for continuing operations</u>		<u>Capital expenditure for discontinued operations</u>		<u>Total consolidated capital expenditure</u>	
	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Asia Pacific	250	7,706	10	49	260	7,755

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.

There are no material changes in contributions to turnover by the business or geographical segments.

15. A breakdown of sales.

		Group		
		2007	2006	Increase/ (Decrease)
		Unaudited	Restated	%
		S\$'000	S\$'000	
15(a)	Sales reported for first half year	20,394	11,572	76.24
15(b)	Operating profit/(loss) after-tax before deducting minority interests reported for first half year	2,183	(112)	NM
15(c)	Sales reported for second half year	7,336	18,414	(60.16)
15(d)	Operating loss after-tax before deducting minority interests reported for second half year	(317)	(1,229)	(74.21)

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 (2006: S\$1.32 million).

17. Interested Person Transactions.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
NIL	NIL	NIL

BY ORDER OF THE BOARD

Lauw Hui Kian
Director
2 April 2008