

IPC CORPORATION LTD
(Company Registration No. 198501057M)
Half Year Financial Statement 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 HALF YEAR
 ENDED 30 JUN 2007**

	Group		
	2007	2006	Increase/ (decrease)
	S\$'000	restated S\$'000	%
Continuing operations			
Revenue	20,394	11,572	76.2
Cost of sales	(13,520)	(7,762)	74.2
Gross profit	6,874	3,810	80.4
Other income	903	2,074	(56.5)
Selling and distribution costs	(1,082)	(563)	92.2
General and administrative costs	(3,047)	(2,309)	32.0
Other operating costs	(435)	(1,618)	(73.1)
Profit from operating activities	3,213	1,394	NM
Finance costs	(1)	(1)	0.0
Operating profit from operations before taxation and minority interests	3,212	1,393	NM
Taxation	(821)	(457)	79.6
Profit for the half year from continuing operations (i)	2,391	936	NM
Discontinued operation (ii)			
Loss for the 2 months (2007) and half year (2006) from discontinued operation	(208)	(1,048)	(80.2)
Profit/(loss) for the half year	2,183	(112)	NM
Attributable to:			
Equity holders of the Company			
Continuing operations	2,351	1,071	NM
Discontinued operation	(208)	(1,048)	(80.2)
Minority interests	40	(135)	NM
Profit/(loss) for the half year	2,183	(112)	NM

(i) Profit from continuing operations is arrived at after charging/(crediting) the following:

	2007	2006	Increase/ (decrease)
	S\$'000	S\$'000	%
Depreciation	240	316	(24.1)
Provision for bad and doubtful debts, net	27	53	(49.1)

Foreign exchange loss	166	518	(68.0)
Impairment losses in other investments	–	638	(100.0)
Impairment loss in associate company	1,157	–	100.0
Deemed gain on dilution of interests in subsidiary company	(1,089)	–	100.0
Gains on divestment of other investments	(222)	(1,462)	(84.8)

(ii) Discontinued operation

On 28 Feb 2007, the Group has diluted the equity stake in Nanyang Institution of Management (NIM), the education unit of the Group from 81.5% to 39.9%. As a result of the dilution, the results of NIM has been classified as discontinued operations.

Notes

1. Gross Profit (increased 80.4%)
The increase in gross profit was primarily due to the increase in revenue and better margins of the property development project and higher margins of the Thin Computing products.
2. Other income (decreased 56.5%)
The decrease was due to lesser divestments of other investments.
3. Selling and distribution costs (increased 92.2%)
It was due to the increase of the sales and marketing expenditure for the promotion of the property development project.
4. Other operating costs (decreased 73.1%)
It was primarily the result of the decrease in exchange loss and the impairment loss on other investments.
5. Taxation (increased 79.6%)
The increase was due to the increase in the profits of the Group.
6. Foreign exchange loss
The foreign exchange loss was related to recorded monetary balance denominated in foreign currencies that were adjusted to reflect the 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 those of 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

Balance Sheet

	Group		Company	
	(Unaudited) 30 Jun 2007	(Restated) 31 Dec 2006	(Unaudited) 30 Jun 2007	(Restated) 31 Dec 2006
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS LESS LIABILITIES				
Non-current assets				
Property, plant and equipment, net	10,956	11,252	248	275
Investment properties (i)	7,430	7,538	7,430	7,538
Properties under development	46,274	46,274	–	–
Properties held for development	9,869	9,869	–	–
Prepaid land lease payments	6,420	6,420	–	–
Subsidiaries	–	–	110,585	110,587
Other Investments (ii)	7,534	4,746	4,390	3,144
Deferred tax assets	–	521	–	–
Total non-current assets	88,483	86,620	122,653	121,544

Current assets				
Properties held for sale	17,710	36,947	–	7,021
Prepaid land lease payments	107	107	–	–
Trade and other receivables (iii)	10,361	8,307	2,071	2,522
Inventories	68	65	–	–
Cash and cash equivalents	43,733	35,539	18,001	13,363
Total current assets	71,979	80,965	20,072	22,906
Current liabilities				
Trade and other payables (iv)	10,925	17,892	647	786
Interest bearing loans (iv)	–	1,974	–	–
Tax payable	159	194	36	36
Total current liabilities	11,084	20,060	683	822
Net current assets	60,895	60,905	19,389	22,084
Non-current liability				
Deposit received	4,044	3,948	–	–
Net assets	145,334	143,577	142,042	143,628
EQUITY				
Share capital	140,038	140,038	140,038	140,038
Reserves	3,575	1,851	2,004	3,590
Share capital and reserves	143,613	141,889	142,042	143,628
Minority interests	1,721	1,688	–	–
Total equity	145,334	143,577	142,042	143,628

Notes

- (i) On adoption of the FRS 40, the investment properties has been stated at cost less accumulated depreciation.
- (ii) Increase in placement of new investments.
- (iii) The movement in receivables was principally in relation to the Zhuhai property development project.
- (iv) Trade and other payables and Interest bearing loans decreased due to repayment of the payables and loans.

1 (b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 Jun 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 30 Jun 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 had been pledged as securities. The loan had been repaid.

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

	2007	2006
	S\$'000	S\$'000
Cashflow from operating activities:		
Profit before taxation	3,004	345
Adjustments for non-cash items		
Depreciation of property, plant and equipment	240	392
Exchange differences arising on consolidation	32	(471)
Gain on divestment of other investments	(222)	(1,462)
Interest income	(426)	(373)
Impairment losses in other investments	---	638
Impairment loss in associate company	1,157	---
Deemed gain on dilution of interests in subsidiary company	(1,089)	---
Provision for bad and doubtful debts, net	27	53
Operating profit/(loss) before reinvestment in working capital	2,723	(878)
(Increase)/decrease in inventories	(3)	28
(Increase)/decrease in receivables	(2,580)	3,841
Decrease in payables	(4,803)	(4,656)
Decrease in properties held for sale	12,216	6,794
Cash generated from operations	7,553	5,129
Interest income received	426	373
Income tax paid	(79)	(15)
Net cash generated from operating activities	7,900	5,487
Cash flow from investing activities		
Purchase of plant and equipment	(25)	(50)
Proceed from disposal of industrial building	7,100	---
Net increase in investment/development properties	---	(4,505)
Proceeds from divestment in other investments	496	2,452
Dividends income from other investments	80	14
Dilution of interests in subsidiary, net of cash disposed	(1,643)	---
Placement in bank escrow account	---	(453)
Purchase of other investments	(2,418)	(528)
Net cash generated from/(used in) investing activities	3,590	(3,070)
Cash flow from financing activities :		
Repayment of short-term loans, secured	(1,974)	(2,080)
Dividends payment	(1,322)	(1,322)
Net cash used in financing activities	(3,296)	(3,402)
Net increase/(decrease) in cash and cash equivalents	8,194	(985)
Cash and cash equivalents at beginning of year	35,539	34,517
Cash and cash equivalents at end of period (i)	43,733	33,532

Notes

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

	2007	2006
	S\$'000	S\$'000
Cash at banks and in hand	43,733	34,403
Less: Bank Escrow account	---	(871)
Cash and cash equivalents at end of period	43,733	33,532

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	Other reserve (iii)	Accumulated profits	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 07									
As previously reported	140,038	---	1,263	(6,756)	(353)	8,889	143,081	1,688	144,769
Effect of changes in accounting policies: FRS 40(i)	---	---	---	---	---	(1,192)	(1,192)	---	(1,192)
As restated	140,038	---	1,263	(6,756)	(353)	7,697	141,889	1,688	143,577
Transfer reserve to accumulated profits on sale of asset (ii)	---	---	(1,263)	---	---	1,263	---	---	---
Profit for the half year	---	---	---	---	---	2,143	2,143	40	2,183
Dividends paid	---	---	---	---	---	(1,322)	(1,322)	---	(1,322)
Net fair value changes in other investments	---	---	---	---	783	---	783	---	783
Transfer to profit and loss on sale of other investments	---	---	---	---	(132)	---	(132)	---	(132)
Translation adjustment for the half year	---	---	---	252	---	---	252	(7)	245
As at 30 Jun 07	140,038	---	---	(6,504)	298	9,781	143,613	1,721	145,334
STATEMENT OF CHANGES IN EQUITY – COMPANY	Share capital	Share premium	Asset revaluation reserve	Foreign currency translation reserve	Other reserve (iii)	Accumulated profits	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 07									
As previously Reported	140,038	---	1,263	---	(353)	3,872	144,820	---	144,820
Effect of changes in accounting policies: FRS 40(i)	---	---	---	---	---	(1,192)	(1,192)	---	(1,192)
As restated	140,038	---	1,263	---	(353)	2,680	143,628	---	143,628
Transfer reserve to accumulated profits on sale of asset (ii)	---	---	(1,263)	---	---	1,263	---	---	---
Loss for the half year	---	---	---	---	---	(915)	(915)	---	(915)
Dividends paid	---	---	---	---	---	(1,322)	(1,322)	---	(1,322)
Net fair value changes in other investments	---	---	---	---	783	---	783	---	783

Transfer to profit and loss on sale of other investments	---	---	---	---	(132)	---	(132)	---	(132)
As at 30 Jun 07	140,038	---	---	---	298	1,706	142,042	---	142,042

STATEMENT OF CHANGES IN EQUITY – GROUP

	Share capital	Share premium	Asset revaluation reserve	Foreign currency translation reserve	Other reserve (iii)	Accumulated profits	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 06									
As previously Reported	105,723	34,455	2,188	(6,660)	720	13,363	149,789	1,869	151,658
Effect of changes in accounting policies: FRS 40(i)	---	---	---	---	---	(976)	(976)	---	(976)
As restated	105,723	34,455	2,188	(6,660)	720	12,387	148,813	1,869	150,682
Transfer of share premium to share capital	34,315	(34,455)	---	---	---	140	---	---	---
Profit/(loss) for the half year	---	---	---	---	---	23	23	(135)	(112)
Dividends paid	---	---	---	---	---	(1,322)	(1,322)	---	(1,322)
Net fair value changes in other investments	---	---	---	---	283	---	283	---	283
Transfer to profit and loss on sale of other investments	---	---	---	---	(795)	---	(795)	---	(795)
Translation adjustment for the half year	---	---	---	(210)	---	---	(210)	(70)	(280)
Impairment loss on property, plant and equipment	---	---	(791)	---	---	---	(791)	---	(791)
As at 30 Jun 06	140,038	---	1,397	(6,870)	208	11,228	146,001	1,664	147,665

STATEMENT OF CHANGES IN EQUITY – COMPANY

	Share capital	Share premium	Asset revaluation reserve	Foreign currency translation reserve	Other reserve (iii)	Accumulated profits/(losses)	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 06									
As previously Reported	105,723	34,315	2,188	---	720	3,274	146,220	---	146,220
Effect of changes in accounting policies: FRS 40(i)	---	---	---	---	---	(976)	(976)	---	(976)
As restated	105,723	34,315	2,188	---	720	2,298	145,244	---	145,244
Transfer of share premium to share capital	34,315	(34,315)	---	---	---	---	---	---	---
Loss for the half year	---	---	---	---	---	(1,235)	(1,235)	---	(1,235)
Dividends paid	---	---	---	---	---	(1,322)	(1,322)	---	(1,322)

Net fair value changes in other investments	---	---	---	---	283	---	283	---	283
Transfer to profit and loss on sale of other investments	---	---	---	---	(795)	---	(795)	---	(795)
Impairment loss on property, plant and equipment	---	---	(791)	---	---	---	(791)	---	(791)
As at 30 Jun 06	140,038	---	1,397	---	208	(259)	141,384	---	141,384

Notes

- (i) On adoption of FRS 40, the depreciation charge on the investment properties had been recognised retrospectively.
- (ii) Transfer from Asset revaluation reserve to Accumulated profits upon realisation of the asset.
- (iii) Other reserves comprise 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 30 JUN 2007

	Options as at 1 Jan 07	Reduced	Lapsed	Options as at 30 Jun 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 30 JUN 2006

	Options as at 1 Jan 06	Reduced	Lapsed	Options as at 30 Jun 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

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 adopted in the financial statements as compared with the audited financial statements as at 31 Dec 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 Jan 2007.

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 40 Investment Property

The Group has adopted FRS 40 – Investment Property, which became operative from 1 Jan 2007. FRS 40 permits investment properties to be stated at either fair value or cost less accumulated depreciation and accumulated impairment losses.

With the adoption of FRS 40, the Group continues to classify its investment properties which met the recognition criteria under FRS 40 as investment properties and to state the investment properties at cost less accumulated depreciation and accumulated impairment losses.

This change was effected retrospectively and consequently affected the following previous reported income statement items for the financial period ended 30 Jun 2006 and the income statement items for the financial period ended 30 Jun 2007.

	GROUP	
	S\$'000	S\$'000
	30 Jun 2007	30 Jun 2006
Increase/(decrease) in:		
Other operating costs	108	108
Profit/(loss) for the year	(108)	(108)

This change was effected retrospectively and consequently affected the following previous reported balance sheet items as at 31 Dec 2006 and the balance sheet items as at 30 Jun 2007.

	GROUP		COMPANY	
	S\$'000	S\$'000	S\$'000	S\$'000
	30 Jun 2007	31 Dec 2006	30 Jun 2007	31 Dec 2006
Increase/(decrease) in:				
Investment properties	(1,300)	(1,192)	(1,300)	(1,192)
Reserves	(1,300)	(1,192)	(1,300)	(1,192)

Other than the above, the Group has adopted various new/revised FRS mandatory for annual financial periods beginning on or after 1 Jan 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 period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	GROUP	
	30 Jun 2007	30 Jun 2006 restated
Earnings per ordinary share of the Group for the half 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)	0.41	0.00
(ii) On a fully diluted basis (in cents)	0.40	0.00

Continuing operations

(i)	Based on the weighted average number of ordinary shares on issue (in cents)	0.44	0.20
(ii)	On a fully diluted basis (in cents)	0.44	0.20

Notes

- (i) The basic earnings per share ("EPS") calculation as at 30 Jun 07 is based on the number of shares of 528,613,759 (30 Jun 06 : 528,613,759).
- (ii) The diluted earnings per share ("EPS") calculation as at 30 Jun 07 is based on the number of shares of 530,125,509 (30 Jun 06: 530,625,509) that included share options of 1,511,750 (30 Jun 06: 2,011,750).

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	
	30 Jun 2007	31 Dec 2006 restated	30 Jun 2007	31 Dec 2006 restated
Net asset value per ordinary share based on issued share capital of the issuer at the end of the financial period/year:-	27.17cents	26.84cents	26.87cents	27.17cents
Number of existing issued share capital at end of the financial period/year:	528,613,759	528,613,759	528,613,759	528,613,759

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Group revenue increased by 76.2 per cent to S\$20.4 million for the period ended 30 Jun 2007 when compared to S\$11.6 million recorded for the same period of the previous year.

The Group's IT business, the Thin Computing, accounted for approximately 8 per cent of Group revenue with the remaining 92 per cent generated from the residential and commercial property development project in Zhuhai, the PRC (the "property development project").

The increase in Group revenue was largely attributed to the increase in sales from the property development project.

The Group registered a gross profit of S\$6.874 million, an increase of 80.4 per cent, when compared to S\$3.810 million recorded for the same period in the previous year. The increase in gross profit was primarily attributed to the increase in revenue and better margins of the property development project and higher margins of the Thin Computing products.

Other income of S\$0.903 million recorded in the period under review was primarily derived from the divestment of investments held by the Group and interest income.

The increase of 92.2 per cent in selling and distribution costs, when compared to the same period of last year, was due to the increase of sales and marketing expenditure for the promotion of the property development project.

Other operating costs decreased 73.1 per cent primarily due to the decrease in exchange loss and the impairment loss on other investments.

The significant increase in revenue and gross profit has enabled the Group to turn in an operating profit from continuing operations before taxation and minority interests of S\$3.212 million and a after tax profit attributable to shareholders of S\$2.351 million.

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

On 28 Feb 2007 -- Education

The equity stake in Nanyang Institution of Management (NIM), the education unit of the Group, has been reduced from 81.5% to 39.9%. 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 Feb 2007.

On 11 Jul 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 Jul 2007.

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 sales of residential apartments in Zhuhai, the PRC and Thin Computing business for the second half of the current financial year.

In addition, the Group will continue with the completion of the residential and commercial property development project in Zhuhai, the PRC and start the necessary development planning on the property project in Yantai.

With the net cash on hand, the Group will seek out investment opportunities that will synergise with the Group's business development objectives.

11. Dividend

(a) Current Financial Period Reported On

Any dividend proposed for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

12. If no dividend has been declared/recommended, a statement to that effect

Not Applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Not Applicable for half year.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not Applicable for half year.

15. A breakdown of sales

Not Applicable for half year.

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

Not Applicable for half year.

BY ORDER OF THE BOARD

Lauw Hui Kian
Director
6 Aug 2007

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the half year ended 30 Jun 2007 to be false or misleading in any material respect.

On behalf of the Board of Directors

Ngiam Mia Je Patrick
Executive Chairman

Ngiam Mia Kiat Benjamin
Managing Director

6 Aug 2007