

## IPC CORPORATION LTD

### SUBSCRIPTION/PURCHASE OF 30 MILLION SHARES IN CHINA TAISAN TECHNOLOGY GROUP HOLDINGS LIMITED

#### Introduction

The Board of Directors of IPC Corporation Ltd (the "Company") is pleased to announce the subscription/purchase (the "Acquisition") of 30 million ordinary shares (the "Placement Shares") in the capital of China Taisan Technology Group Holdings Limited ("China Taisan") through a placement exercise by China Taisan in connection with its initial public offering of shares (the "Invitation").

#### Rule 1006 of the SGX-ST Listing Manual

The relative figures for the Acquisition computed on the bases set out in Listing Rule 1006 of the Listing Manual are as set out below:

- |     |  |                       |
|-----|--|-----------------------|
| (a) | The net asset value of the assets to be disposed of, compared with the group's net asset value.  | Not applicable.       |
| (b) | The net profits <sup>(1)</sup> attributable to the assets acquired or disposed of, compared with the group's net profits <sup>(1)</sup> .                    | Not applicable        |
| (c) | The aggregate value of the consideration given or received, compared with the issuer's market capitalisation.  | 10.59% <sup>(2)</sup> |
| (d) | The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue. | Not applicable        |

#### Notes:

- (1) Under Rule 1002(3)(b), "net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (2) Determined by dividing the total acquisition cost for the subscription/purchase of the Placement Shares of S\$7.277 million and the market capitalisation of the Company as at 28 May 2008 (being the market day preceding the date of the Acquisition) of S\$68.73 million.

The market capitalisation of the Company is determined by multiplying the number of shares of the Company in issue by the weighted average price of such shares transacted on 28 May 2008 of S\$0.13002 per share with the issued share capital of the Company of 528,613,759 shares.

#### Classification of Transaction

Having regard to the above, the Acquisition is a "Discloseable Transaction" under Rule 1010 of the SGX-ST Listing Manual for an announcement by the Company is required.

#### Information to be announced under Rule 1010

- (1) *Particulars of the assets acquired*

The assets to be acquired are the Placement Shares, which are ordinary shares in the share capital of China Taisan.

(2) *A description of the trade carried on*

Pursuant to the prospectus dated 28 May 2008 of China Taisan (the "Prospectus"), it is one of the leading manufacturers in the People's Republic of China of knitted fabrics used in sports and leisure apparel. China Taisan's products comprise performance fabrics and normal fabrics and are sold under its "Lianjie"(连捷) brand. China Taisan also provides fabric processing services to its customers, which include dyeing and finishing. It is one of the approved suppliers of fabrics used in the manufacturing of apparel for reputable international and local sports and leisure apparel brands such as Umbro, Nike, Puma, Anta (安踏), Kappa, Lotto, Wanjielong(万杰隆) and E•Land. China Taisan also supply fabrics used in the manufacturing of apparel for brands such as Adidas, Reebok, FILA, Mizuno, Diadora, Bossini, Giordano, Erima, Li-Ning(李宁), Qiaodan(乔丹(中国)), 361°, Septwolves(七匹狼), Lilang(利郎) and K-boxing(劲霸).

(3) *The aggregate value of the consideration, including factors taken into consideration in arriving at the value of the consideration*

The subscription/purchase price for each of the Placement Shares was S\$0.24 and the total acquisition cost for the subscription/purchase of the Placement Shares (including placement commission and goods and services tax) was S\$7.277 million.

The Placement Shares comprises 3.23% of the post-Invitation issued share capital of China Taisan.

(4) *Any material conditions, including put and call options*

Nil

(5) *The value of the assets being acquired*

Pursuant to the Prospectus, the net asset value ("NAV") per ordinary share of China Taisan ("CT Share") based on the audited combined balance sheet of China Taisan as at 31 December 2007 before adjusting for the estimated net proceeds from the issue of the new CT Shares pursuant to the Invitation and based on the pre-Invitation share capital of China Taisan of 704,700,000 shares was 7.14 cents. The NAV per CT Share based on the audited combined balance sheet of China Taisan after adjusting for the estimated net proceeds from the issue of new CT Shares and based on the post-Invitation share capital of China Taisan of 927,900,000 shares was 10.75 cents.

(6) *The source(s) if funds for the acquisition*

The total consideration for the Acquisition was funded through internally generated funds of the Company

(7) *The net profits attributable to the assets being acquired*

Not applicable

(8) *The effect of the transaction on the net tangible assets per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the end of that financial year*

For illustrative purposes only, assuming that the Acquisition had been effected at the end of the financial year ended 31 December 2007 ("FY2007"), its effect on the consolidated net tangible assets ("NTA") per share of the Company for FY2007 would have been as follows:-

	<u>As at 31 December 2007</u>	<u>After the Acquisition</u>
NTA per share (cents)	26.74	26.74

- (9) *The effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year*

For illustrative purposes only, assuming that the Acquisition had been effected at the beginning of FY2007, its effect on the earnings per share ("EPS") of the Company for FY2007 would have been as follows:-

	<u>FY2007</u>	<u>After the Acquisition</u>
EPS (cents)	0.32	0.32

- (10) *The rationale for the transaction including the benefits which are expected to accrue to the issuer as a result of the transaction*

The Board of Directors of the Company noted that the historical price earning ratio based on the subscription/purchase price of the Placement Shares and the historical earning per share for China Taisan for the financial year ended 31 December 2007 was 4.68 times. The Board of Directors of the Company considered the Acquisition to be an attractive investment based on the abovementioned price earning ratio.

The Board of Directors of the Company had also considered the dividends which may be paid by China Taisan. As set out in the Prospectus, China Taisan currently does not have any formal dividend policy. However, it intends to recommend and distribute dividends of at least 30% of its net profits for the financial years ending 31 December 2008 and 2009. (collectively the "Proposed Dividends"). The Board of Directors of the Company wishes to highlight that the foregoing statement on the Proposed Dividends by China Taisan is merely a statement of its present intention and shall not constitute a legally binding obligation on China Taisan or legally binding statement in respect of its future dividends which may be subject to modification (including reduction or non-declaration thereof) in its Directors' sole and absolute discretion. The Board of Directors of the Company also wishes to highlight that the Proposed Dividends is not an indication of China Taisan's future dividend policy.

- (11) *Whether any director or controlling shareholder has any interest, direct or indirect, in the transaction and the nature of such interests*

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition. However, the Board of Directors of the Company wishes to inform that its director, Ngiam Mia Kiat Benjamin, has, in his personal capacity, subscribed for 10 million ordinary shares in China Taisan pursuant to the Invitation.

- (12) *Details of any service contracts of the directors proposed to be appointed to the issuer in connection with the transaction*

Not applicable, no directors have been identified for appointment to the Board of Directors of the Company in connection with the Acquisition.

By Order of the Board  
IPC Corporation Ltd

Ngiam Mia Hai Bernard  
Executive Director

2 June 2008