

IPC CORPORATION LTD

PROPOSED SALE OF PROPERTY AT 23 TAI SENG DRIVE

1. Introduction

The Directors of IPC Corporation Ltd (the "Company") are pleased to announce that the Company has, on 12th June 2006, entered into an agreement with Avenue Medical (Singapore) Pte Ltd (the "Purchaser") to grant an option for the sale of the Company's property at 23 Tai Seng Drive, Singapore 535224 (the "Property") (the "Proposed Sale").

The Company will leaseback the whole of the 6th floor of the Property on a 3-plus-3 year basis to ensure uninterrupted continuity of the Group's operations.

2. Consideration

The sale price of S\$7,100,000 (the "Sale Price") was arrived at on a willing seller-willing buyer basis. A summary of the terms of the Proposed Sale is set out below:-

Property	Sale Price	Site Area (sq m)	Leasehold
23 Tai Seng Drive Singapore 535224	S\$7,100,000	3,814	30 years commencing from 1st August 1990 with an option for a further term for 30 years

3. Leaseback

The leaseback of the whole of the 6th floor of the property is on a 3-plus-3 year basis, subject to the terms and conditions of the lease agreement. The monthly rental for the first 3 years shall be S\$17,711. The rental is subject to an escalation of 10% maximum for the second 3 years.

4. Valuation

As at 31st May 2006, the unaudited book value (less depreciation) of the Property is S\$7,900,000. The Company will record a one-time charge to earnings of S\$800,000 in the current financial year due to diminution in value from the Proposed Sale.

5. Rationale

The Directors have decided to dispose the Property after studying the Group's projected future facility needs and considering the benefits of utilising the cash proceeds from the Proposed Sale for future working capital and investments that are to generate growth and enhance shareholders' value.

6. Condition Precedent

The Proposed Sale is subject to approval from Jurong Town Corporation.

7. Option Notice

Subject to the fulfillment of the condition precedent in the said agreement, this option is to be exercised by the Purchaser within four weeks from its originating date and the sale of the Property is expected to be consummated within twelve weeks from the date of exercise of the option.

8. Financial Effects

(a) Earnings

Assuming that the Proposed Sale had been completed on 31 December 2005 and based on the Group's audited consolidated financial statements for the financial year ended 31 December 2005 ("2005"), the proforma effects on the consolidated earnings of the Group are as follows:

	Before Proposed Sale	After Proposed Sale
Earnings per share (cents)	1.62	1.45

(b) Net Tangible Assets ("NTA")

Assuming that the Proposed Sale had been completed on 31 December 2005 and based on the Group's audited consolidated financial statements for FY2005, the proforma effects on the consolidated NTA of the Group are as follows:

As at 31 December 2005	Before Proposed Sale	After Proposed Sale
NTA (S\$'000)	149,789	148,889
NTA per share (cents)	28.34	28.17

(c) Gearing

Assuming that the Proposed Sale had been completed on 31 December 2005 and based on the Group's audited consolidated financial statements for FY2005, the effects of the Proposed Sale on the gearing of the Group are as follows:

	Before Proposed Sale	After Proposed Sale
Fixed deposit, cash & bank balance (S\$'000)	34,935	42,035
Total borrowings (S\$'000)	10,400	10,400
Shareholders funds (S\$'000)	149,789	148,889
Gearing - gross (times)	0.07	0.07
- net (times)	-	-

9. Relative Figures for Computation of the Type of Transaction

For the purposes of Rule 1006 of the Listing Manual of the SGX-ST, the Proposed Sale is not regarded as a major transaction under Rule 1013 based on the following:

Rule 1006	Bases	Computation	Threshold
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value, for the financial year ended 31 December 2005	S\$7.9M/ S\$149.79M = 5.3%	Below the threshold of 20%
(b)	Net profits attributable to the assets disposed of, compared with the Group's net profits	Not applicable	-
(c)	Aggregate value of consideration received, compared with the Company's market capitalisation as of 9 th June 2006, being the market day immediately preceding the signing of the agreement	S\$7.1M/ S\$87.22M = 8.1%	Below the threshold of 20%
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable	-

10. Interests of Directors and Controlling Shareholders

None of the Directors or Controlling Shareholders of the Company has any interest, direct or indirect, in the Proposed Sale.

11. Other Matters

A copy of the agreement is available for inspection during normal business hours at the Company's registered office at 23 Tai Seng Drive, Singapore 535224 for three (3) months from the date of this announcement.

By order of the Board
IPC Corporation Ltd

Ngiam Mia Hai Bernard
Company Secretary