

IPC CORPORATION LTD

(Co. Reg. No: 198501057M)

ACQUISITION OF BUSINESSES BY SUBSIDIARY AND INVESTMENT IN SUBSIDIARY BY HEG SINGAPORE PTE LTD

1. Introduction

The Directors of the IPC Corporation Ltd (the "Company") are pleased to announce that its subsidiary, Nanyang Institute of Management Pte Ltd ("NIM") has, on 28 February 2007, entered into the following agreement:

- 1) Sale of Business Agreement (the "Sale of Business Agreement") with HEG Singapore Pte Ltd ("HEG") dated 28 February 2007;
- 2) Subscription Agreement (the "Subscription Agreement") with HEG dated 28 February 2007;
- 3) Management Agreement (the "Management Agreement") with HEG dated 28 February 2007; and
- 4) Shareholders Agreement (the "Shareholders Agreement") with the Company, HEG and EDB Investments Pte Ltd ("EDBI") dated 28 February 2007.

2. Acquisition of Businesses

Pursuant to the Sale of Business Agreement, on completion, NIM shall acquire, from HEG, assets with a view of NIM carrying on business of the sole proprietorship entities (i) HEG Centre For Higher Education (Registration Number 53021168L) which engages in the business of training students in business management ("HEGC"); and (ii) International Centre For Early Childhood Education (Registration Number 53021168L) which engages in the business of training teachers in early childhood education ("ICEC") (HEGC and ICEC collectively the "Businesses"), as a going concern in succession to HEG (the "Acquisition").

NIM envisages that the Acquisition will be synergistic to NIM as well as the Businesses as NIM would be able to tap on the Businesses' market in Singapore and leverage on their established relationships with accredited universities, while providing the Businesses with channels to its overseas market network that includes China, Sri Lanka, Myanmar and Vietnam. NIM believes that as the Businesses have a different market focus and course offering, such synergies will result in an expansion of the business of NIM in terms of its market share as well as its course offering.

The consideration ("Acquisition Consideration") payable by NIM to HEG for the Acquisition shall be S\$2.32 million which was ascertained by NIM to be the valuation of the Businesses based on the estimated consolidated net profit after tax of the Businesses for the financial year ending 31 December 2007 of S\$580,000 and a price earning ratio of 4 times.

The Acquisition Consideration shall be paid and satisfied in full by the allotment of 2.32 million shares in the capital of NIM to HEG at the issue price of S\$1.00 per share credited as fully paid. On completion of the Acquisition, the issued share capital of NIM shall increase from S\$2.7 million divided into 2.7 million shares to S\$5.02 million divided into 5.02 million shares.

The Acquisition is not expected to have any material impact on the net tangible assets per share or earnings per share of the Company or the Group for the financial year ending 31 December 2006.

3. Investment in Subsidiary by HEG Singapore Pte Ltd

Pursuant to the Subscription Agreement, HEG has agreed to subscribe for 500,000 new ordinary shares in the capital of the NIM (the "Subscription Shares") at S\$1.00 per share for an aggregate cash consideration of S\$0.5 million (the "Subscription"). The Subscription is conditional upon completion of the Acquisition.

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects with the ordinary shares of NIM existing at the time of issue of the Subscription Shares.

When completed, the Subscription will increase the issued share capital of NIM from S\$2.7 million divided into 2.7 million shares to S\$5.52 million divided into 5.52 million shares. After the Subscription the shareholders of NIM and the respective shareholdings will be as follows:

Shareholder	No. of Shares in NIM	Proportion of Issued Share Capital of NIM
HEG	2,820,000	51.1%
IPC	2,200,000	39.9%
EDBI	500,000	9%

On completion of the Acquisition and the Subscription, NIM will cease to be a subsidiary of the Company and be, instead, an associated company of the Company. The Company has entered into the Shareholders Agreement with HEG, EDBI and NIM, to regulate the affairs of NIM and each of their respective rights as shareholders of NIM.

4. Management Services by HEG

Pursuant to the Management Agreement and subject to the completion of the Acquisition, HEG shall provide management services (set out in full in the Management Agreement) in relation to the business of NIM which includes the Businesses as well as its existing business of providing tertiary education in tourism, hospitality, language and business through Nanyang Institute of Management.

The Management Agreement is for a term of 3 years commencing on 1 March 2007 and may be terminated by either party giving 6 months of written notice provided that the parties shall not be entitled to terminate the Management Agreement for a period of 18 months from the date of the Management Agreement.

5. Interests of Directors and Controlling Shareholder

None of the directors and controlling shareholders of the Company have any interest, direct or indirect, in the Acquisition, the Subscription and the Management Agreement.

6. Other Matters

A copy of the Sale of Business Agreement and the Subscription Agreement are 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 the announcement.

By Order of the Board
IPC Corporation Ltd

Ngiam Mia Hai Bernard
Company Secretary
28 February 2007