

IPC CORPORATION LTD
(Company Registration No. 198501057M)
1st Quarter 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 1st QUARTER
 ENDED 31 MAR 2008**

	Group		Increase/ (decrease) %
	31 Mar 2008 S\$'000	31 Mar 2007 S\$'000	
Continuing operations			
Revenue	6,861	15,881	(56.8)
Cost of sales	(3,283)	(10,919)	(69.9)
Gross profit	3,578	4,962	(27.9)
Other income	254	333	(23.7)
Other losses, net	(216)	(37)	NM
Expenses			
Distribution and marketing	(253)	(260)	(2.7)
Administrative	(1,149)	(1,337)	(14.1)
Finance	(2)	(1)	100
Other	(138)	(167)	(17.4)
	(1,542)	(1,765)	(12.6)
Profit before income tax	2,074	3,493	(40.6)
Income tax expense	(758)	(712)	6.5
Profit from continuing operations	1,316	2,781	(52.7)
Discontinued operations			
Loss from discontinued operations	–	(19)	(100.0)
Total profit (i)	1,316	2,762	(52.4)
Attributable to:			
Equity holders of the Company			
- Continuing operations	1,264	2,743	(53.9)
- Discontinued operations	–	(19)	(100.0)
Minority interests	52	38	36.8
Total profit (i)	1,316	2,762	(52.4)

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

	31 Mar 2008 S\$'000	31 Mar 2007 S\$'000	Increase/ (decrease) %
Depreciation	121	96	26.4
Allowance for bad and doubtful debts	–	30	(100.0)
Foreign exchange loss	374	127	NM
Impairment loss on other assets	25	–	100.0

Gain on reduction of interests in former subsidiary company	–	(189)	(100.0)
Gain on disposal of financial assets, available-for-sale	(183)	(90)	NM
Interest income	(158)	(220)	(28.2)
Amortisation of leasehold properties	27	14	92.9

Notes

1. Gross profit (decreased 27.9%)
The decrease in gross profit was in tandem with the decrease in turnover.
2. Other income (decreased 23.7%)
The decrease was due to lower interest income.
3. Other losses, net
The increase was a result of foreign exchange loss which was mainly 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 2008 as compared with that in year 2007.

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 Sheets

	<u>Group</u>		<u>Company</u>	
	31 Mar 2008 S\$'000	31 Dec 2007 S\$'000 Audited	31 Mar 2008 S\$'000	31 Dec 2007 S\$'000 Audited
ASSETS				
Current assets				
Cash and cash equivalents	44,487	45,500	27,319	21,734
Trade receivables (i)	5,735	279	17	17
Other receivables	1,434	1,413	233	233
Inventories	31	58	-	-
Tax recoverable	2,012	1,962	1,323	1,323
Properties developed for sale	17,719	20,652	-	-
Property under development	44,529	43,923	-	-
Non-current asset held for sale	1,809	-	1,809	-
	<u>117,756</u>	<u>113,787</u>	<u>30,701</u>	<u>23,307</u>
Non-current assets				
Financial assets, available-for-sale (ii)	4,809	6,181	2,532	3,143
Other receivables	-	-	68,726	74,671
Other assets	170	195	-	-
Investment in subsidiaries	-	-	34,732	34,732
Leasehold properties	6,416	8,229	-	1,809
Leasehold land held for development	16,796	16,797	6,515	6,515
Property, plant and equipment	10,788	10,572	198	216
Deferred income tax assets	80	116	-	-
	<u>39,059</u>	<u>42,090</u>	<u>112,703</u>	<u>121,086</u>
Total assets	<u>156,815</u>	<u>155,877</u>	<u>143,404</u>	<u>144,393</u>

LIABILITIES**Current liabilities**

Trade payables	5,451	5,289	66	67
Other payables	3,682	3,417	509	469
Current income tax liabilities	774	57	36	36
	<u>9,907</u>	<u>8,763</u>	<u>611</u>	<u>572</u>

Non-current liabilities

Advance deposit	<u>3,952</u>	<u>3,972</u>	-	-
-----------------	--------------	--------------	---	---

Total liabilities

	<u>13,859</u>	<u>12,735</u>	<u>611</u>	<u>572</u>
--	---------------	---------------	------------	------------

NET ASSETS

	<u>142,956</u>	<u>143,142</u>	<u>142,793</u>	<u>143,821</u>
--	----------------	----------------	----------------	----------------

EQUITY**Capital and reserves attributable to equity holders of the Company**

Share capital	140,038	140,038	140,038	140,038
Foreign currency translation reserve	(6,533)	(6,323)	-	-
Fair value reserve	(1,251)	2	(1,438)	(948)
Retained earnings	8,891	7,627	4,193	4,731
	<u>141,145</u>	<u>141,344</u>	<u>142,793</u>	<u>143,821</u>

Minority interests

	<u>1,811</u>	<u>1,798</u>	-	-
--	--------------	--------------	---	---

Total equity

	<u>142,956</u>	<u>143,142</u>	<u>142,793</u>	<u>143,821</u>
--	----------------	----------------	----------------	----------------

Notes

- (i) The movement in trade receivables was principally in relation to the Zhuhai property development project.
- (ii) The decrease in Financial assets, available-for-sale was mainly due to fair value adjustments.

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 Mar 08		As at 31 Dec 07	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
Nil	Nil	Nil	Nil

Amount repayable after one year

As at 31 Mar 08		As at 31 Dec 07	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
Nil	Nil	Nil	Nil

Details of any collateral

NA

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

CONSOLIDATED CASH FLOW STATEMENT

	31 Mar 2008 S\$'000	<u>Group</u> 31 Mar 2007 S\$'000
Cash flows from operating activities		
Total profit	1,316	2,762
Adjustments for		
- Income tax expense	758	712
- Depreciation	121	96
- Amortisation of leasehold properties	27	14
- Unrealised translation gains	(246)	(89)
- Gain on disposal of financial assets, available-for-sale	(183)	(90)
- Impairment loss on other assets	25	-
- Gain on reduction of interests in former subsidiary company	-	(189)
- Interest income	(158)	(220)
	1,660	2,996
Change in working capital, net of effects from derecognition of subsidiary		
- Properties	2,327	9,947
- Inventories	27	(18)
- Receivables	(5,527)	(931)
- Payables	427	(6,296)
Cash (used in)/generated from operations	(1,086)	5,698
Interest received	158	220
Net cash (used in)/generated from operating activities	(928)	5,918
Cash flows from investing activities		
Purchases of property, plant and equipment	(390)	(19)
Purchases of financial assets, available-for-sale	-	(2,418)
Proceeds from disposal of financial assets, available-for-sale	305	141
Proceeds from disposal of non-current asset held for sale, net	-	7,021
Reduction of interest in former subsidiary, net of cash disposed	-	(238)
Net cash (used in)/generated from investing activities	(85)	4,487
Cash flows from financing activities		
Repayment of borrowings	-	(1,383)
Net cash used in financing activities	-	(1,383)
Net (decrease)/increase in cash and cash equivalents	(1,013)	9,022
Cash and cash equivalents at beginning of financial year	45,500	34,134
Cash and cash equivalents at end of financial period	44,487	43,156

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	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
2008								
Beginning of financial year	140,038	---	(6,323)	2	7,627	141,344	1,798	143,142
Financial assets, available-for-sale								
- Fair value loss	---	---	---	(1,288)	---	(1,288)	---	(1,288)
- Disposals	---	---	---	35	---	35	---	35
Currency translation differences	---	---	(210)	---	---	(210)	(39)	(249)
Net loss recognised directly in equity	---	---	(210)	(1,253)	---	(1,463)	(39)	(1,502)
Net profit	---	---	---	---	1,264	1,264	52	1,316
Total recognised income/(loss)	---	---	(210)	(1,253)	1,264	(199)	13	(186)
End of financial period 31 Mar 08	140,038	---	(6,533)	(1,251)	8,891	141,145	1,811	142,956
STATEMENT OF CHANGES IN EQUITY – GROUP	Share capital	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
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	---	---	---	542	---	542	---	542
- Disposals	---	---	---	(51)	---	(51)	---	(51)
Transfer of asset revaluation reserve to retained earnings on disposal of building	---	(1,263)	---	---	1,263	---	---	---
Currency translation differences	---	---	(104)	---	---	(104)	(30)	(134)
Net income/(loss) recognised directly in equity	---	(1,263)	(104)	491	1,263	387	(30)	357
Net profit	---	---	---	---	2,724	2,724	38	2,762
Total recognised income/(loss)	---	(1,263)	(104)	491	3,987	3,111	8	3,119

End of financial period 31 Mar 07	140,038	---	(6,346)	138	9,990	143,820	1,696	145,516
-----------------------------------	---------	-----	---------	-----	-------	---------	-------	---------

STATEMENT OF CHANGES IN EQUITY – COMPANY

	Share capital	Asset revaluation reserve	Fair value reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2008					
Beginning of financial year	140,038	---	(948)	4,731	143,821
Financial assets, available-for-sale					
- Fair value loss					
- Disposals	---	---	35	---	35
Net loss recognised directly in equity	---	---	(490)	---	(490)
Net loss	---	---	---	(538)	(538)
Total recognised loss	---	---	(490)	(538)	(1,028)
End of financial period 31 Mar 08	140,038	---	(1,438)	4,193	142,793

STATEMENT OF CHANGES IN EQUITY – COMPANY

	Share capital	Asset revaluation reserve	Fair value reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2007					
Beginning of financial year	140,038	1,263	(353)	3,524	144,472
Financial assets, available-for-sale					
- Fair value gains					
- Disposals	---	---	(51)	---	(51)
Transfer of asset revaluation reserve to retained earnings on disposal of building	---	(1,263)	---	1,263	---
Net income/(loss) recognised directly in equity	---	(1,263)	491	1,263	491
Net loss	---	---	---	(441)	(441)
Total recognised income/(loss)	---	(1,263)	491	822	50
End of financial period 31 Mar 07	140,038	---	138	4,346	144,522

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 MAR 2008

	Options as at 1 Jan 08	Lapsed	Options as at 31 Mar 08
ESOS Grant 1999	249,250	---	249,250
ESOS Grant 2001	225,000	---	225,000
ESOS Grant 2002	1,037,500	---	1,037,500
TOTAL	1,511,750	---	1,511,750

SHARE OPTIONS AS AT 31 MAR 2007

	Options as at 1 Jan 07	Lapsed	Options as at 31 Mar 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

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 March 2008 was 528,613,759 (December 2007 : 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.

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 a 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 December 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.

Not Applicable.

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 Mar 2008	31 Mar 2007
Earnings 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)	0.24	0.52
(ii) On a fully diluted basis (in cents)	0.24	0.52
Continuing operations		
(i) Based on the weighted average number of ordinary shares on issue (in cents)	0.24	0.52
(ii) On a fully diluted basis (in cents)	0.24	0.52

Note

The basic and diluted earnings per share ("EPS") calculation as at 31 Mar 08 is based on the number of shares of 528,613,759 (31 Mar 07 : 528,613,759).

**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 Mar 2008	31 Dec 2007 Audited	31 Mar 2008	31 Dec 2007 Audited
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at the end of the financial period/year:-	26.70cents	26.74cents	27.01cents	27.21cents
Number of existing issued shares excluding treasury shares 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 decreased by 56.8 per cent to S\$6.861 million for the period ended 31 March 2008 when compared to S\$15.881 million recorded for the same period of the previous year.

The Group's IT business, the Thin Computing, accounted for approximately 14 per cent of Group revenue with the remaining 86 per cent generated mainly from the residential and commercial property development project in Zhuhai, the PRC (the "Zhuhai Property").

The decrease in Group revenue was attributed to a decrease of about 61 per cent in the sales of the Zhuhai Property, despite an increase of about 7 per cent in the sales of the Thin Computing business. The decrease in the sales of the Zhuhai Property was attributed to slower sales resulting from measures implemented to curb speculations by the PRC government.

Other income of S\$0.254 million recorded in the period under review was primarily derived from interest income.

The 56.8 per cent decrease in Group revenue has resulted in a reduction of 27.9 per cent of Group gross profit to S\$ 3.578 million when compared to S\$4.962 million of the corresponding period of the previous year. However, with the higher margins on the sales of the Zhuhai Property and higher contribution from the Thin Computing business, the Group has turned in an operating profit from operations before taxation and minority interests of S\$2.074 million. As a result, the Group registered a after-tax profit attributable to shareholders of S\$1.264 million.

From January up to the date of this announcement, the Group has concluded the following corporate developments, which had been previously announced:

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 subject to regulatory approvals. Details of which were announced on 18 February 2008.

On 9 April 2008 - Property

The Company has entered into a Sales Agreement with a Chinese investor for the sale of the Company's property at No 9, XiangZhou Industry, Zhuhai, The People's Republic of China. A gain of approximately S\$1.5 million is expected from the Proposed Sale. Details of which were announced on 9 April 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 Zhuhai Property, although slower sales are expected for the latter.

In addition, the Group will continue to carry out the necessary development planning on the property projects in Yantai, PRC and Bangkok, Thailand.

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? 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.

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.

15. A breakdown of sales.

Not applicable.

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.

BY ORDER OF THE BOARD

Lauw Hui Kian
Director
14 May 2008

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 1st quarter ended 31 March 2008 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

14 May 2008