

ANNUAL REPORT

2007

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CHAIRMAN STATEMENT



.....the Group undertook a strategic decision to capitalise on its property development experiences and successes by including property investment and property development as one of its core businesses.....

NGIAM MIA JE PATRICK
Chairman & Chief Executive Officer

I am pleased to report that in 2007, the Group undertook a strategic decision to capitalise on its property development experiences and successes by including property investment and property development as one of its core businesses. This was approved at the EGM held on 30th November 2007.

Guided by this strategic direction, the Group has secured a property development project in Bangkok, Thailand ("Bangkok Project") in February 2008. The Bangkok Project is a proposed 29-storey residential condominium with about 629 apartments and completion is expected to be in 2010.

Additionally, a mid to long term development project in Yantai ("Yantai Project") is now in the pipeline, which was secured under a collaboration development agreement in July 2007. The Yantai Project is a proposed commercial and residential development, with gross floor area exceeding 1.4 million sqm. It is currently in the designing and planning stage, and is pending for the necessary regulatory approvals.

Details of the Bangkok Project and Yantai Project were previously announced on 18th February 2008 and 11th July 2007 respectively. The construction of Costa Del Sol, a premium residential and commercial development in Zhuhai, PRC (Zhuhai Project) will be fully completed and the residential units are expected to be largely sold by 2008. The commercial properties comprise primarily of a hotel-cum-shops and a club house. The hotel is being furnished into a 4-star, 206 – room hospitality property. The Zhuhai Project contributed positively to the Group's profitability in 2007.

On 28th February 2007, the Group's education unit, Nanyang Institute of Management (Nanyang), was expanded through the acquisition of the two education units from HEG Singapore Pte Ltd. Following the acquisition and subscription of new shares by HEG Singapore Pte

Ltd, details of which were previously announced on 28th February 2007, IPC's stake in Nanyang has been reduced from 81.5% to 40% and Nanyang became an associate company. The remaining 60% is owned by HEG Singapore Pte Ltd and EDB Investment Pte Ltd at 51% and 9% respectively. The expanded entity has been restructured to focus on Tourism and Hospitality, Early Childhood Teachers Training and Business Management programmes, and is operating profitably.

The year 2007 has also brought new developments to the Group's IT business under ThinSoft ("ThinSoft"). Chief among these was the successful addition of new Vista-based products to ThinSoft's software suites. As a clear demonstration of its ability to maintain product leadership in today's highly competitive Information Technology arena, ThinSoft announced the release of its first-to-market WCS-VS in March 2007 and BeTwin-VS products in May 2007, which provide its customers with software operating environments compatible with Microsoft's new operating system, Vista. Another important development is the continuing efforts by ThinSoft to improve its website in order to reach out to more customers globally. As a result, online revenue has increased, and ThinSoft continues on its profitability path.

The Zhuhai Project and Thin Computing business contributed positively to the Group's overall performance. On a pre-tax basis, the Group recorded a profit of S\$1.925 million, a turnaround from a pre-tax loss of S\$2.028 million in 2006. Net profit after tax attributable to shareholders for 2007 was S\$1.683 million as compared to a net loss of S\$3.195 million in 2006.

The Group continues to dedicate itself to prudent asset management. This was reflected in the consolidated Group cash balance of S\$45.5 million, as at 31st December 2007, an increase of around S\$10 million from the prior year.

CHAIRMAN STATEMENT

With the net cash on hand, 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.

FINANCIAL REVIEWS

Group revenue has decreased by 7.5% to S\$27.73 million for the period ended 31st December 2007, when compared to S\$29.986 million recorded for the same period of the previous year. The Group's IT business, Thin Computing, accounted for approximately 12% of Group revenue, while the remaining 88% was generated mainly from the residential and commercial property development project in Zhuhai, PRC ("property development project").

The decrease in Group revenue was attributed to:

- 1) A decrease of about 6% in sales from the property development project; and
- 2) A decrease of about 19% in sales from Thin Computing business, which was attributed to lower sales of upgrade kits and vertical market solutions, despite an increase of software sales of 7% for the year ended 31st December 2007.

The Group recorded a gross profit of S\$8.803 million, an increase of 668%, when compared to S\$1.146 million recorded for the same period in the previous year. The increase in gross profit was primarily attributed to higher margins of the property development project and Thin Computing software products.

Other income of S\$1.598 million recorded in the period under review was primarily derived from interest income.

The significant increase in gross profit has enabled the Group to turn in an operating profit from operations before taxation and minority interests of S\$1.925 million. As a result, the Group registered an after-tax profit attributable to shareholders of S\$1.683 million for the year ended 31 December 2007.

CORPORATE OUTLOOK AND STRATEGY

The Group expects continued contributions from the Thin Computing business and the residential and commercial property development project in Zhuhai, the PRC, which will be fully completed in FY08.

In addition, the Group will execute the development plan for the Bangkok Project and continue to carry out the necessary design and planning for and seeking regulator approvals on the Yantai Project.

With the net cash on hand, 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.

APPRECIATION

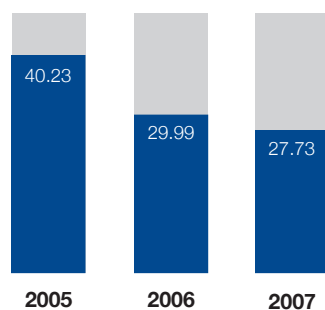
I would like to acknowledge the dedication of our staff and the continued support of our business partners and shareholders over this period. I would also like to express my sincere appreciation to each of these groups for their contributions.

As a token of appreciation to our shareholders, the Group has recommended a dividend payout of 0.25 cents per share, subject to approval at the Annual General Meeting.

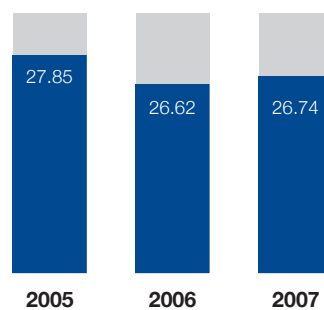
FINANCIAL HIGHLIGHTS

IPC CORPORATION LTD AND SUBSIDIARY COMPANIES

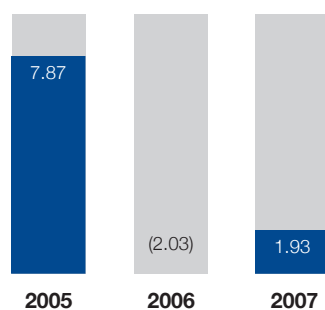
TOTAL TURNOVER (\$ million)



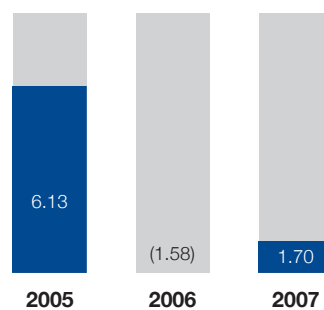
NET TANGIBLE ASSET (NTA) BACKING PER ORDINARY SHARE (cents)



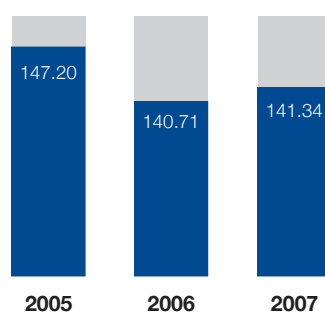
NET PROFIT/(LOSS) BEFORE TAX AND MINORITY INTERESTS (\$ million)



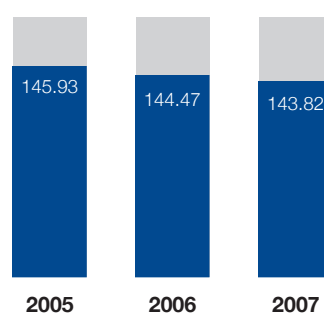
NET PROFIT/(LOSS) AFTER TAX AND MINORITY INTERESTS (\$ million)



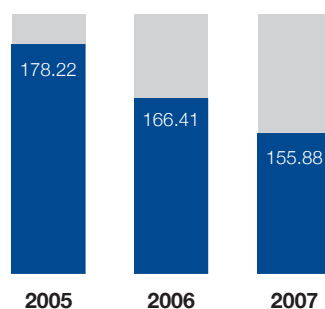
SHAREHOLDERS' FUNDS AFTER MINORITY INTEREST – GROUP (\$ million)



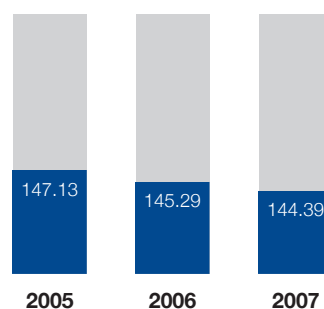
SHAREHOLDERS' FUNDS – COMPANY (\$ million)



TOTAL ASSETS – GROUP (\$ million)



TOTAL ASSETS – COMPANY (\$ million)



■ PROFIT

Remark: Year 2005 & 2006 figures had been restated due to the adoption of FRS 40 & prior year adjustments.

REVIEW OF OPERATIONS



INFORMATION TECHNOLOGY

The management of ThinSoft recognises that continuous efforts on customer enrichment are essential in order to maintain and expand into the highly competitive global information technology market. The management also recognises the importance of strong pre-sales and after-sales technical support as absolutely necessary. Internal operational efficiencies, cost containment and strategic marketing investment will continue as priorities.

During 2007, ThinSoft made improvements to its website, which has reached more customers globally. Direct and live pre-sales contact with potential customers and end-users were also supported and encouraged throughout the Group's operations. The management of ThinSoft believes that these infrastructural and operational philosophies and actions will bring long term benefits to the Group.

ThinSoft participated in several key exhibitions, such as CeBIT 2007 in Hannover, Germany, which was one of the largest consumer products shows in the world. The Group also participated in trade-focused shows in Sydney, Australia, and Shanghai, China. The management views these activities as investments in the future at a time when reaching global audiences with the introduction of our new Vista-based products are an essential marketing requirement.

Turnover from the sales of software for the year ended 31st December 2007 has increased by approximately 7% to approximately HK\$14.1 million, when compared to last year of approximately HK\$13.1 million. Overall turnover for the year under review has decreased from approximately HK\$20.6 million to approximately HK\$17.2 million, as ThinSoft continued to put more efforts in software-only sales. All of the reductions in total turnover were attributable to lower sales of upgrade kits and vertical market solutions, which include both hardware and software, which carried lower profit margins.

During the year under review, Europe became the largest single geographic market where turnover amounted to approximately HK\$8.1 million or 47.2% of total turnover. Sales in the United States amounted to approximately HK\$6.2 million or approximately 36.2% of total sales. Gross profit margin for the year ended 31st December 2007 has increased to approximately 85.6%, as compared with approximately 81.1% in the previous corresponding year. The richer margins were attributable to increased software sales during the year under review.

Selling and distribution costs in the year under review have increased to approximately HK\$1.2 million, when compared to approximately HK\$0.7 million incurred in the previous year. The increase was due to marketing expenses, which included participation in exhibitions at CeBIT 2007 Hannover in Germany, CeBIT 2007 Sydney in Australia, and CeBIT 2007 Shanghai in China.

Administrative expenses in the year under review have increased by approximately 6.7% to approximately HK\$11.8 million, when compared to approximately HK\$11 million incurred in the previous year. ThinSoft recorded approximately HK\$0.9 million in foreign exchange losses in 2007. In addition, adjustments to the fair value of one of the available-for-sale financial assets resulted in a net charge to impairment provisions of approximately HK\$0.6 million.

ThinSoft consequently registered a profit of approximately HK\$0.4 million attributable to shareholders for the year under review, compared to a profit of approximately HK\$4.8 million in the prior year. It continues to be in a healthy financial position. Cash and bank balances as at 31st December 2007 was approximately HK\$30.8 million (2006: approximately HK\$36.1 million). There were no bank borrowings as at 31st December 2007 (2006: Nil).



PROPERTY INVESTMENT

IPC is the developer of Costa del Sol (www.costadelsol.com.cn), a premium residential and commercial property project in Zhuhai, PRC. The development sits on an approximately 170,000 sqm plot of land with plot-ratio 1:1.

The project has won the Group several accolades, including the Zhuhai Top Star Property Award in 2002 and 2003, and Zhuhai Landscaping Gold Medal Property Award in 2004. The Group was also an award recipient of the 9th International Garden City Awards for being one of China's best international garden communities.

The project will be completed by 2008 and the units will be mostly sold by then, except for the commercial properties comprising primarily of the hotel-cum-shops and clubhouse. The hotel is being furnished into a 4-star, 206-room hospitality property.

The Group has strategically moved to capitalise on its property development experiences gained from the property

development in Zhuhai, PRC, to include property investment and property development as one of its core businesses, which was approved at the EGM held on 30th November 2007. Guided by this strategic direction, the Group has secured a property development project in February 2008. The project is a proposed 629-unit condominium apartment in Bangkok, Thailand (Bangkok Project), and is expected to complete in 2010.

A mid to long term development project in the pipeline is the collaboration development project in Yantai (Yantai Project), which was secured in July 2007. The project is a proposed commercial and residential development, with gross floor area exceeding 1.4 million sqm. It is in the designing and planning stage, and is pending for the necessary regulatory approvals.

Details of the Bangkok Project and Yantai Project were previously announced on 18th February 2008 and 11th July 2007 respectively.



BOARD OF DIRECTORS

NGIAM MIA JE PATRICK

Ngiam Mia Je Patrick is the Chairman and CEO of IPC. He has served on IPC's board of directors since 1992. He is also the Chairman and co-founder of Essex Investment and its group of companies ("Essex"). He graduated with first class honours in Electronics Engineering from the University of Essex, UK, in 1979 and was awarded a Doctor of Philosophy in Business Administration from the Southern California University, USA, for Professional Studies in October 1997. Patrick is an acknowledged entrepreneur in Singapore and the international IT community, and has received many accolades. In 1990, he was awarded the inaugural KPMG High-Tech Entrepreneur Award. Other awards include the DHL & Singapore Press Holdings Singapore Business Award for Businessman of the Year in 1993 and the Chevalier De L'Ordre National Du Merite conferred by Le President De La Republique Francaise in 1996.

NGIAM MIA KIAT BENJAMIN

Ngiam Mia Kiat Benjamin is the Managing Director and co-founder of IPC. He has a Bachelor of Science in Electronics Engineering and graduated with first class honours from the University of Essex (UK) in 1979. He is also the Managing Director and co-founder of Essex.

LAUW HUI KIAN

Lauw Hui Kian is the Administration and Finance Director of IPC since 1985. She graduated from the University of Essex (UK) with a Bachelor of Arts in Mathematical Economics with second class honours in 1981. Prior to joining IPC, she was the head of the finance department at Essex.

NGIAM MIA HAI BERNARD

Ngiam Mia Hai Bernard is the Executive Director of IPC and has served on IPC's board of directors since 1985. He is also the Chairman of ThinSoft (Holdings) Inc., a public-listed company on the Growth Enterprise Market (GEM) of the Stock Exchange of Hong Kong. He graduated from the National University of Singapore with a Bachelor of Business Administration in 1985.

NGIAM MIA HONG ALFRED

Ngiam Mia Hong Alfred is the Executive Director of IPC and has served on IPC's board of directors since 1991. He oversees the Group's IT R&D programs and MIS system and is also the Chief Technical Officer of ThinSoft (Holdings) Inc. He graduated from the University of Waterloo, Canada with a Bachelor of Mathematics in Computer Science and Statistics, Dean's Honour Roll, in 1986.

WILLIAM MICHAEL DRISCOLL

William Michael Driscoll is a Non-Executive Director of IPC and has served on IPC's board of directors since 2000. He is also a director at ThinSoft (USA) Inc. He is a director and chairman of the audit committee of Emerson Radio Inc., a public company listed on the American Stock Exchange in the USA and serves on the boards of directors of privately held Ithaca Technologies, LLC. Music Gear, Inc. and Bravi, LLC. Prior to his appointment on IPC's board of directors, Mr. Driscoll was CEO of NASDAQ-listed Smith Corona Corporation. He holds a Bachelor of Science degree from Ithaca College, New York, USA.

LEE JOO HAI

Lee Joo Hai is an Independent Director and Non-Executive Director of IPC. He was appointed to IPC's board of directors in 1996 and is the Chairman of the Nominating Committee. He is a Certified Public Accountant of Singapore and is a member of the Institute of Chartered Accountants in England and Wales. His experience in accounting, auditing, taxation and company secretarial work spans more than 25 years. He is currently a partner in a public accounting firm in Singapore.

LEE SOO HOON PHILLIP

Lee Soo Hoon Phillip is an Independent Director and Non-Executive Director of IPC. He was appointed to IPC's board of directors in 1998 and is the Chairman of the Audit Committee. He is a fellow of the Institute of Chartered Accountants in England and Wales. He is also a member of the Institute of Certified Public Accountants, Singapore, the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. His audit experience, which extends to a varied clientele including the public utilities, shipyard, shipbuilding, shipping, toy manufacturing, rubber processing, latex and estate management, container manufacturing, stockbroking, banking and finance, retailing, trading, shipping and high tech industries, spans more than 30 years. He was also a partner at Ernst & Young Singapore for 19 years. Currently, he is the Managing Director of Phillip Lee Management Consultants Pte Ltd.

SEAH SEOW KANG STEVEN

Seah Seow Kang Steven is an Independent Director and Non-Executive Director of IPC. He was appointed to IPC's board of directors in 2002 and is the Chairman of the Remuneration Committee. He graduated with LLB (Hons) from the University of Singapore in 1980 and also holds a Diploma in Business Law from the National University of Singapore in 1988. His experience in civil and criminal litigation, conveyance matters, corporate secretarial services and general advice to institutions in finance, insurance and company matters spans more than 22 years. He is a partner in the law firm Seah Ong & Partners.

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Ngiam Mia Je Patrick
Chairman & Chief Executive Officer

Ngiam Mia Kiat Benjamin
Managing Director

Lauw Hui Kian (Ms)
Executive Director – Finance & Administration

Ngiam Mia Hai Bernard
Executive Director

Ngiam Mia Hong Alfred
Executive Director

NON-EXECUTIVE DIRECTORS

Lee Joo Hai
(Independent, Chairman – Nominating Committee)

Lee Soo Hoon Phillip
(Independent, Chairman – Audit Committee)

Seah Seow Kang Steven
(Independent, Chairman – Remuneration Committee)

William Michael Driscoll

AUDIT COMMITTEE

Lee Soo Hoon Phillip (Chairman)
Lee Joo Hai
Seah Seow Kang Steven

NOMINATING COMMITTEE

Lee Joo Hai (Chairman)
Seah Seow Kang Steven
Ngiam Mia Je Patrick
(Alternate – Ngiam Mia Kiat Benjamin)

REMUNERATION COMMITTEE

Seah Seow Kang Steven (Chairman)
Lee Soo Hoon Phillip
Lee Joo Hai

COMPANY SECRETARY

Ngiam Mia Hai Bernard

COMPANY REGISTRATION NO.

198501057M

REGISTERED OFFICE

23 Tai Seng Drive #06-00
Singapore 535224
Tel: 67442688 Fax: 67430691
www.ipc.com.sg

SHARE REGISTRAR'S OFFICE

Boardroom Corporate & Advisory Services Pte Ltd
(formerly known as Lim Associates (Pte) Ltd)
3 Church Street #08-01
Samsung Hub
Singapore 049483
Tel: 65365355 Fax: 65361360

AUDITORS

PricewaterhouseCoopers
8 Cross Street #17-00
PWC Building
Singapore 048424

AUDIT PARTNER

Trillion So
Year of appointment : 2007

The Directors and Management of IPC Corporation Ltd (the “Company”) are committed to maintaining a high standard of corporate governance by complying with the benchmark set by the Code of Corporate Governance 2005 (the “Code”) issued by the Ministry of Finance on 14 July 2005. In areas where the Company deviates from the Code, rationales are provided.

This Report describes the Company’s corporate governance processes and activities. For ease of reference, the relevant provisions of the Code under discussion are identified in italics.

BOARD OF DIRECTORS

PRINCIPLE 1: BOARD’S CONDUCT OF ITS AFFAIRS

The principal functions of the Board are:

1. approving the broad policies, strategies and financial objectives of the Company and monitoring the performance of Management;
2. overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
3. approving the nominations of directors and appointment of key personnel;
4. approving major funding proposals, investment and divestment proposals; and
5. assuming responsibility for corporate governance.

Matters which are specifically referred to the full Board for decision are those involving a conflict of interest for substantial shareholder or director, material acquisitions and disposals of assets, corporate or financial restructuring and share issuances, dividends and other returns to shareholders and matters which require Board’s approval as specified under the Company’s interested person transaction policy.

The Board conducts regular meetings, and ad-hoc meetings are convened as and when required. The Company’s Articles of Association (the “Articles”) allow a board meeting to be conducted by way of tele-conference. The attendance of directors at meetings of the Board and Board Committees, as well as the frequency of such meetings, are disclosed on Page 17 of this Report.

All directors have access to the company secretary who provides the Board with regular updates on corporate governance processes and listing requirements of the SGX. The company secretary also attends all Board meetings and assists the Chairman in ensuring that Board procedures are followed and reviewed such that the Board functions effectively.

All directors also have access to senior management and are updated regularly concerning any changes in the Company’s policies.

The Company has adopted a policy for directors to request explanations, briefings or informal discussions on any aspects of the Company’s operations or business issues from the management. The Chairman and CEO will make the necessary arrangements for these briefings, informal discussions or explanations.

The directors can attend seminars or conferences in connection with their duties as directors subject to the approval of the Chairman.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2007

PRINCIPLE 2: BOARD COMPOSITION AND BALANCE

Presently, the Board comprises 3 non-executive and independent directors, 1 non-executive director, and 5 executive directors. The independence of each director is reviewed annually by the Nominating Committee (“NC”), which was formed on 2 September 2002. The NC adopts the Code’s definition of what constitutes an independent director in its review. As a result of the NC’s review of the independence of each director for FY 2007, the NC is of the view that the non-executive directors of the Company are independent directors (except for Mr. William Michael Driscoll) and that no individual or small group of individuals dominate the Board’s decision making process. Key information regarding the directors is given in the ‘Board of Directors’ section of the annual report. The NC is of the view that the current Board comprises persons who as a group provide core competencies necessary to meet the Company’s targets.

PRINCIPLE 3: ROLE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER (“CEO”)

The Company has the same Chairman and CEO, Mr Ngiam Mia Je Patrick, who is an executive director.

The Company believes that the non-executive and independent directors have demonstrated high commitments in their roles as directors and have ensured that there is a good balance of power and authority. As such, there is no need for the role of the Chairman and CEO to be separate.

The Chairman and CEO is the most senior executive in the Company and bears executive responsibility for the Company’s business, as well as for the workings of the Board. The Chairman and CEO ensures that board meetings are held when necessary and sets the Board meeting agenda in consultation with the directors and Management. The Chairman and CEO reviews the Board papers before they are presented to the Board and ensures that Board members are provided with complete, adequate and timely information.

PRINCIPLE 6: ACCESS TO INFORMATION

In order to ensure that the Board is able to fulfil its responsibilities, Management provides Board members with regular updates of the financial position of the Company. Monthly reports and quarterly reports of the Company’s financial performance are provided to the executive directors and the Board respectively. Analytical reports on the Company are forwarded to the directors on an on-going basis as and when received. The directors have also been provided with the telephone numbers and e-mail particulars of the Company’s senior management and company secretary to facilitate access.

Should directors, whether as a group or individually, need independent professional advice, the company secretary will, upon direction by the Board, appoint a suitable professional advisor to render the advice. The cost of such professional advice will be borne by the Company.

The company secretary attends all Board meetings and is responsible for ensuring that Board procedures are followed. It is the responsibility of the company secretary and Management to ensure that the Company complies with all statutory and regulatory requirements.

Please refer to the “Corporate Information” section of the annual report for the composition of the Company’s Board of Directors and Board Committees.

BOARD COMMITTEES

NOMINATING COMMITTEE (“NC”)

PRINCIPLE 4: BOARD MEMBERSHIP

The Chairman of the NC, Mr Lee Joo Hai, is an independent non-executive director. There are three members in the NC, two of whom are independent non-executive directors.

The members are:

Mr Lee Joo Hai (Chairman)
 Mr Seah Seow Kang Steven
 Mr Ngiam Mia Je Patrick (Alternate - Mr Ngiam Mia Kiat Benjamin)

The NC’s principal functions are:

1. to identify candidates and review all nominations for the appointment or re-appointment of members of the Board of Directors, the CEO of the Company, and the members of the various Board Committees for the purpose of proposing such nominations to the Board for its approval;
2. to assess nominees or candidates for appointment or re-election to the Board, determining whether or not such nominee has the requisite qualifications;
3. to decide how the Board’s performance may be evaluated and propose objective performance criteria for the Board’s approval;
4. to assess the effectiveness of the Board as a whole, and the contribution by each individual director to the effectiveness of the Board;
5. to determine annually whether or not a director is independent; and
6. to assess the abilities and the adequacy of directors with multiple board representations in carrying out their duties.

The Board, on the recommendation of the NC, appoints new directors. Such new directors must submit themselves for re-election at the Annual General Meeting (“AGM”) of the Company. Article 90 of the Articles requires one third of the Board to retire by rotation at every AGM.

The NC has recommended the nomination of the directors retiring by rotation under the Articles for re-election at the forthcoming AGM.

PRINCIPLE 5: BOARD PERFORMANCE

The NC, in recommending the nomination of any director for re-election, considers the contribution of the director, which includes his qualification, experience, and area of expertise, time and effort devoted to the Company’s affairs, attendance and participation at Board and Board Committee meetings.

The NC initiates performance evaluation which would assess each director’s contribution to the Board, adopting assessment parameters which would include attendance record at meetings of the Board and Board Committees, intensity of participation at meetings, the quality of interventions and any special contributions.

In assessing the Board’s performance as a whole, both quantitative and qualitative criteria would be adopted. Such criteria would include return on equity, the success of strategic and long-term objectives set by the Board, and the effectiveness of the Board in monitoring Management’s performance against the goals that have been set by the Board.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2007

BOARD COMMITTEES (CONTINUED)

AUDIT COMMITTEE ("AC")

PRINCIPLE 11: AUDIT COMMITTEE

PRINCIPLE 12: INTERNAL CONTROLS

The AC comprises three members, all of whom are non-executive and independent directors. The Chairman of the AC, Mr Lee Soo Hoon Phillip, is by profession a Certified Public Accountant. The other members of the AC have many years of financial and legal experience. The AC is of the view that its members have the requisite financial management expertise and experience to discharge the AC's functions.

The members are:

Mr Lee Soo Hoon Phillip (Chairman)

Mr Lee Joo Hai

Mr Seah Seow Kang Steven

The AC performs the following main functions:

1. recommends to the Board of Directors the nomination of external auditors, approves the remuneration of the external auditors, and reviews the scope and results of the audit, and its cost-effectiveness;
2. reviews (with the other committees, Management, the external auditors) significant risks or exposures that exist and assesses the steps Management has taken to minimize such risks to the Company;
3. reviews with the Finance Director and external auditors at the completion of the half-yearly reviews and annual examination the following:
 - the Company's half-yearly and annual financial statements and related footnotes, and the integrity of financial reporting of the Company including accounting principles for recommendation to the Board for approval;
 - the external auditors' audit of the annual financial statements and reports thereon;
 - the adequacy of the Company's system of accounting control;
 - the assistance given by Management to external auditors;
 - any related significant findings and recommendations of the external auditors together with Management's responses thereto; and
 - any significant changes required in the external auditors' audit plan, any serious difficulties or disputes with Management encountered during the course of the audit and their resolution, and other matters related to the conduct of the audit;
4. considers and reviews with Management annually the effectiveness of the Company's internal controls over management, business and technology systems and practices;
5. reviews legal and regulatory matters that may have a material impact on the financial statements, related exchange compliance policies, and programs, and reports received from regulators;
6. meets with external auditors, other committees, and Management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC; and
7. reports actions and minutes of the AC to the Board of Directors with such recommendations as the AC considers appropriate.

BOARD COMMITTEES (CONTINUED)
AUDIT COMMITTEE (“AC”) (CONTINUED)

PRINCIPLE 11: AUDIT COMMITTEE (CONTINUED)
PRINCIPLE 12: INTERNAL CONTROLS (CONTINUED)

The AC has the power to conduct or authorise investigations into any matters within its terms of reference and has full access to, and co-operation from Management, and full discretion to invite any director and executive officer to attend its meetings. Minutes of the AC meetings are regularly submitted to the Board for its information and review.

During the financial year, there were no non-audit services provided by the external auditors.

The Company’s external auditors, PricewaterhouseCoopers, carry out, in the course of their statutory audit, a review of the effectiveness of the Company’s material internal accounting controls to the extent of their scope as laid out in their audit plan. Material non-compliance and internal control weaknesses noted during their audit, and the external auditors’ recommendations, are reported to the AC.

The AC has reviewed the Company’s risk assessment, and is satisfied that there are adequate internal controls in the Company. The AC expects the risk assessment process to be a continuing process.

In accordance with the amendment to the Code, the AC has adopted the whistle-blowing policy. The whistle-blowing policy serves to encourage and provide a channel where employees of the Company may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters.

PRINCIPLE 13: INTERNAL AUDITS

The internal audit function was set up under the supervision of the AC in 2003.

The internal audit has adopted the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC reviews the annual audit plans and ensures that the internal audit department is adequately resourced to carry out its duties effectively.

Remuneration Committee (“RC”)

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES
PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION
PRINCIPLE 9: DISCLOSURE ON REMUNERATION

The RC was formed on 2 September 2002, and it comprises 3 directors, all of whom are non-executive and independent directors.

The RC is chaired by Mr Seah Seow Kang Steven, a non-executive and independent director.

The members are:

Mr Seah Seow Kang Steven (Chairman)
 Mr Lee Soo Hoon Phillip
 Mr Lee Joo Hai

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2007

BOARD COMMITTEES (CONTINUED)

REMUNERATION COMMITTEE ("RC") (CONTINUED)

PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION

PRINCIPLE 9: DISCLOSURE ON REMUNERATION (CONTINUED)

The RC's principal responsibilities are to:

1. review and recommend to the Board, a framework of remuneration and to determine the specific remuneration packages and terms of employment for each of the executive directors and senior executives/divisional directors to ensure that the program is competitive and sufficient to attract, retain and motivate senior management of the required quality to run the Company successfully; and
2. administer the IPC Employees' Share Option Scheme (the "ESOS") and determine any matter pertaining or pursuant to the ESOS and any disputes and uncertainties as to the interpretation of the ESOS, any rules, regulations or procedures or any rights under the ESOS.

The executive directors' remuneration packages include a variable bonus element which is performance related, and also share options which have been designed to align their interests with those of the shareholders.

The executive directors' service contracts were renewed on 10 April 2006 for a period of 5 years.

For competitive reasons, the Company is not disclosing the remuneration of each individual director. Instead, disclosure by respective bands of remuneration for the financial year ended 31 December 2007 is provided as follows:

	PROFIT SHARING %	REMUNERATION %	DIRECTOR'S FEE %
\$250,000 to \$499,999			
- Ngiam Mia Je Patrick	-	100	-
- Ngiam Mia Kiat Benjamin	-	100	-
- Lauw Hui Kian	-	100	-
- Ngiam Mia Hai Bernard	-	100	-
- Ngiam Mia Hong Alfred	-	100	-
Less than \$250,000			
- William Michael Driscoll	-	100	-
- Lee Soo Hoon Phillip	-	-	100
- Lee Joo Hai	-	-	100
- Seah Seow Kang Steven	-	-	100

The Company has not disclosed the remuneration of its key executives as it is not in the best interests of the Company and the employees to disclose such details due to the sensitive nature of such information. The Company has no employee who is an immediate family member of a director or the CEO and whose remuneration exceeds S\$150,000 for the financial year ended 31 December 2007.

The fees of non-executive directors are subject to the approval of the shareholders at the Company's AGM. The proposed fees are determined after considering factors such as effort, time spent and contribution from the non-executive directors as well as in accordance with the market practice.

The Company adopts a remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of variable bonus that is linked to the performance of the Company and the individual's performance. Another element of the variable component is the grant of share options to staff and directors under the ESOS. This seeks to align the interests of staff and directors with that of the shareholders.

BOARD COMMITTEES (CONTINUED)**REMUNERATION COMMITTEE (“RC”) (CONTINUED)****PRINCIPLE 7: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES****PRINCIPLE 8: LEVEL AND MIX OF REMUNERATION****PRINCIPLE 9: DISCLOSURE ON REMUNERATION (CONTINUED)****DIRECTORS’ ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS:**

NAMES	BOARD OF DIRECTORS		AUDIT COMMITTEE		REMUNERATION COMMITTEE		NOMINATING COMMITTEE	
	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED
Ngiam Mia Je Patrick	2	2	-	-	-	-	1	1
Ngiam Mia Kiat Benjamin	2	2	-	-	-	-	-	-
Lauw Hui Kian	2	2	-	-	-	-	-	-
Ngiam Mia Hai Bernard	2	2	-	-	-	-	-	-
Ngiam Mia Hong Alfred	2	2	-	-	-	-	-	-
Lee Soo Hoon Phillip	2	2	2	2	1	1	-	-
Lee Joo Hai	2	2	2	2	1	1	1	1
Seah Seow Kang Steven	2	2	2	2	1	1	1	1
William Michael Driscoll *	2	-	-	-	-	-	-	-

* William Michael Driscoll is based in USA.

COMMUNICATION WITH SHAREHOLDERS**PRINCIPLE 10: ACCOUNTABILITY AND AUDIT****PRINCIPLE 14: COMMUNICATION WITH SHAREHOLDERS****PRINCIPLE 15: GREATER SHAREHOLDER PARTICIPATION**

The Company’s results announcements are disseminated through SGXNET, news releases and the Company’s website. All information on the Company’s new initiatives are first disseminated via SGXNET followed by a news release (whenever deemed necessary), which is also available on the Company’s website at www.ipc.com.sg.

Price sensitive information is first publicly released, either before the Company meets with any group of investors or analysts or simultaneously at such meetings. Results and annual reports are announced or issued within the mandatory period and are available on the Company’s website. The Company does not practice selective disclosure.

The Company has an investor relations team who communicates with its investors and attends to their queries. All shareholders of the Company receive the annual reports and circulars for its general meeting. The notice of shareholders’ meetings are also advertised in a daily newspaper and is made available on the SGXNET. At the AGM, shareholders are given the opportunity to air their views and ask directors and/or Management questions regarding the Company.

REPORT OF CORPORATE GOVERNANCE

For the financial year ended 31 December 2007

BOARD COMMITTEES (CONTINUED)

COMMUNICATION WITH SHAREHOLDERS (CONTINUED)

PRINCIPLE 10: ACCOUNTABILITY AND AUDIT

PRINCIPLE 14: COMMUNICATION WITH SHAREHOLDERS

PRINCIPLE 15: GREATER SHAREHOLDER PARTICIPATION (CONTINUED)

The Company's Articles of Association allows a member of the Company to appoint not more than two proxies to attend and vote in his/her stead at all shareholders meetings.

DEALING IN SECURITIES

The Company has adopted a code of conduct to provide guidance to its officers with regards to dealings in Company's securities which states that its directors and officers are not allowed to deal in the Company's securities during the period commencing one month before the announcement of the Company's results and ending on the date of the announcement of the results, and at any time they are in possession of unpublished material price sensitive information. This is in line with Rule 1207(18) of the Listing Manual of the SGX-ST on Dealings in Securities.

INTERESTED PERSON TRANSACTIONS POLICY

The Company has adopted an internal policy in respect of any transactions with interested persons within the definition of Chapter 9 of the Listing Manual of the SGX-ST and has set out procedures for review and approval of all interested person transactions. There were no interested person transactions during the financial year.

MATERIAL CONTRACTS

No material contracts were entered between the Company or any of its subsidiaries with any directors or controlling shareholders during the financial year ended 31 December 2007.

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2007 and the balance sheet of the Company as at 31 December 2007.

DIRECTORS

The directors of the Company in office at the date of this report are as follows:

Mr Ngiam Mia Je Patrick
Mr Ngiam Mia Kiat Benjamin
Ms Lauw Hui Kian
Mr Ngiam Mia Hai Bernard
Mr Ngiam Mia Hong Alfred
Mr Lee Joo Hai
Mr Lee Soo Hoon Philip
Mr Seah Seow Kang Steven
Mr William Michael Driscoll

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" on pages 20 and 21 of this report.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	HOLDINGS REGISTERED IN THE NAME OF DIRECTOR OR NOMINEE		HOLDINGS IN WHICH DIRECTOR IS DEEMED TO HAVE AN INTEREST	
	AT	AT	AT	AT
	31.12.2007	01.01.2007	31.12.2007	01.01.2007
IPC Corporation Ltd				
(Number of ordinary shares)				
Ngiam Mia Je Patrick	7,093,208	7,093,208	58,119,293	58,119,293
Ngiam Mia Kiat Benjamin	7,024,541	7,024,541	50,387,433	50,387,433
Lauw Hui Kian	7,731,860	7,731,860	57,480,641	57,480,641
Ngiam Mia Hai Bernard	7,306,860	7,306,860	-	-
Ngiam Mia Hong Alfred	7,056,860	7,056,860	-	-
Seah Seow Kang Steven	31,011	31,011	-	-

- (b) According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the IPC Employees' Share Option Scheme as set out below and under "Share Options" on pages 20 and 21 of this report:

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONTINUED)

	NUMBER OF UNISSUED ORDINARY SHARES UNDER OPTION	
	AT	AT
	31.12.2007	01.01.2007
Options granted to subscribe for ordinary shares - IPC Corporation Ltd		
Ngiam Mia Hai Bernard	150,000	150,000
Ngiam Mia Hong Alfred	150,000	150,000
William Michael Driscoll	150,000	150,000
Lee Soo Hoon Philip	-	250,000
Lee Joo Hai	-	250,000

- (c) The directors' interests in the ordinary shares and convertible securities of the Company as at 21 January 2008 were the same as those as at 31 December 2007.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report.

SHARE OPTIONS

(a) IPC Employees Share Option Scheme ("ESOS")

On 23 May 1994 shareholders approved the ESOS which was subsequently amended on 31 October 2001. The ESOS allows full-time employees, full-time executive directors, executive directors who are the Company's controlling shareholders and non-executive directors of the Company and its subsidiary companies to acquire unissued ordinary shares of the Company.

The ESOS is administered by a Remuneration Committee ("RC") comprising 3 non-executive/independent directors who, after the amendments to the ESOS on 31 October 2001 are also now participants of the Scheme. The ESOS which was in force for a period of 10 financial years from 23 May 1994 had since expired.

Members of the RC are Seah Seow Kang Steven, Lee Soo Hoon Philip and Lee Joo Hai.

The options granted under the ESOS in 2002 were granted with a 20% discount and those granted under the ESOS between 1999 – 2001 were granted without any discount.

The options granted had a life span of 120 months, except for those granted to non-executive directors which have a life-span of 60 months from the date of grant.

(b) Share options outstanding

The number of unissued ordinary shares of the Company under option in relation to the ESOS outstanding at the end of the financial year was as follows:

SHARE OPTIONS (CONTINUED)**(b) Share options outstanding**

The number of unissued ordinary shares of the Company under option in relation to the ESOS outstanding at the end of the financial year was as follows:

	NUMBER OF UNISSUED ORDINARY SHARES UNDER OPTION AT 31.12.2007	EXERCISE PRICE	EXERCISE PERIOD
1999 Options	249,250	\$1.172	12.11.2000 - 11.11.2009
2001 Options	225,000	\$0.228	15.10.2002 - 14.10.2011
2002 Options	<u>1,037,500</u>	\$0.272	11.03.2004 - 10.03.2012
	<u>1,511,750</u>		

Except as disclosed below, no option has been granted to controlling shareholders of the Company or their associates and no employee has received 5% or more of the total options available under the ESOS.

(c) Directors who were granted options and employees who received 5% or more of the total number of options under the ESOS are as follows:

	OPTIONS GRANTED DURING FINANCIAL YEAR UNDER REVIEW	AGGREGATE OPTIONS GRANTED SINCE COMMENCEMENT OF THE ESOS TO END OF FINANCIAL YEAR UNDER REVIEW	AGGREGATE OPTIONS EXERCISED/ LAPSED SINCE COMMENCEMENT OF THE ESOS TO END OF FINANCIAL YEAR UNDER REVIEW	NUMBER OF OPTIONS REDUCED SUBSEQUENT TO CAPITAL RESTRUCTURING EXERCISE ON 16 FEBRUARY 2005	AGGREGATE OPTIONS OUTSTANDING AT END OF FINANCIAL YEAR UNDER REVIEW
Name of director					
Ngiam Mia Hai Bernard	-	1,500,000	(900,000)	(450,000)	150,000
Ngiam Mia Hong Alfred	-	1,500,000	(900,000)	(450,000)	150,000
William Michael Driscoll	-	600,000	-	(450,000)	150,000
Lee Soo Hoon Phillip	-	1,000,000	(250,000)	(750,000)	-
Lee Joo Hai	-	1,000,000	(250,000)	(750,000)	-
Employees who received 5% or more					
Ngiam Mia Chong	-	1,052,000	(32,000)	(765,000)	255,000
Choo Bee Tin	-	1,044,000	(33,000)	(758,250)	252,750
Anebarassane Thanakodi	-	1,000,000	-	(750,000)	250,000

DIRECTORS' REPORT

For the financial year ended 31 December 2007

Audit Committee

The members of the Audit Committee ("AC") at the end of the financial year were as follow:

Mr Lee Soo Hoon Phillip (Chairman)
Mr Lee Joo Hai
Mr Seah Seow Kang Steven

All members of the AC are non-executive and independent directors.

The AC carried out its functions in accordance with Section 201B(5) of the Companies Act, Cap. 50. In performing those functions, the AC reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan of the Company's external auditor and its report on the weaknesses of internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the external auditor; and
- the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2007 before their submission to the Board of Directors, as well as the external auditor's report on the balance sheet of the Company and the consolidated financial statements of the Group.
- The AC has recommended to the Board that the external auditor, PricewaterhouseCoopers, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Auditor

The external auditor, PricewaterhouseCoopers, has expressed its willingness to accept re-appointment.

On behalf of the directors



NGIAM MIA JE PATRICK
Chairman



NGIAM MIA KIAT BENJAMIN
Director

31 March 2008

STATEMENT BY DIRECTORS
For the financial year ended 31 December 2007

IPC CORPORATION LTD AND SUBSIDIARY COMPANIES

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 25 to 73 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors



NGIAM MIA JE PATRICK
Chairman



NGIAM MIA KIAT BENJAMIN
Director

31 March 2008

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IPC CORPORATION LTD

We have audited the accompanying financial statements of IPC Corporation Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 25 to 73, which comprise the balance sheets of the Company and of the Group as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act (Cap. 50) (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting control sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007, and the results, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditor, have been properly kept in accordance with the provisions of the Act.

PRICEWATERHOUSECOOPERS

Public Accountants and Certified Public Accountants
Singapore, 31 March 2008

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2007

IPC CORPORATION LTD AND SUBSIDIARY COMPANIES

	NOTE	2007 \$'000	2006 \$'000 RESTATED
Continuing operations			
Revenue	5	27,730	29,986
Cost of sales		(18,927)	(28,840)
Gross profit		8,803	1,146
Other income	8	1,598	1,389
Other (losses)/gains - net	9	(451)	862
Expenses			
- Distribution and marketing		(1,143)	(1,159)
- Administrative		(6,546)	(3,668)
- Finance		(51)	(16)
- Other		(285)	(582)
		(8,025)	(5,425)
Profit/(loss) before income tax		1,925	(2,028)
Income tax (expense)/credit	10	(59)	687
Profit/(loss) from continuing operations		1,866	(1,341)
Discontinued operations			
Loss from discontinued operations	11	(19)	(1,979)
Total profit/(loss)		1,847	(3,320)
Attributable to:			
Equity holders of the Company			
Continuing operations		1,702	(1,578)
Discontinued operations		(19)	(1,617)
Minority interests		164	(125)
		1,847	(3,320)
Earnings/(loss) per share for profit/(loss) from continuing operations attributable to equity holders of the Company (cents per share)			
- Basic	12	0.32	(0.30)
- Diluted	12	0.32	(0.30)
Loss per share for profit/(loss) from discontinued operations attributable to equity holders of the Company (cents per share)			
- Basic	12	(0.00)	(0.31)
- Diluted	12	(0.00)	(0.31)

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

For the financial year ended 31 December 2007

		GROUP		COMPANY	
	NOTE	2007 \$'000	2006 \$'000 RESTATED	2007 \$'000	2006 \$'000 RESTATED
ASSETS					
Current assets					
Cash and cash equivalents	13	45,500	35,539	21,734	13,363
Trade and other receivables	14	1,692	4,231	250	568
Inventories	15	58	65	-	-
Tax recoverable		1,962	2,052	1,323	1,954
Properties developed for sale	17	20,652	29,926	-	-
Property under development	24	43,923	46,274	-	-
Non-current asset held for sale	18	-	7,021	-	7,021
		113,787	125,108	23,307	22,906
Non-current assets					
Financial assets, available-for-sale	19	6,181	4,606	3,143	3,144
Other receivables	20	-	-	74,671	97,917
Other assets	21	195	140	-	-
Investments in associated companies	22	-	-	-	-
Investments in subsidiaries	23	-	-	34,732	12,670
Prepaid leasehold properties	16	8,229	8,394	1,809	1,867
Land held for development	25	16,797	16,384	6,515	6,515
Property, plant and equipment	26	10,572	11,252	216	275
Deferred income tax assets	27	116	521	-	-
		42,090	41,297	121,086	122,388
Total assets		155,877	166,405	144,393	145,294
LIABILITIES					
Current liabilities					
Trade and other payables	28	8,706	17,892	536	786
Current income tax liabilities		57	194	36	36
Borrowings	29	-	1,974	-	-
		8,763	20,060	572	822
Non-current liabilities					
Advance deposit	30	3,972	3,948	-	-
Total liabilities		12,735	24,008	572	822
NET ASSETS		143,142	142,397	143,821	144,472
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	31	140,038	140,038	140,038	140,038
Asset revaluation reserve		-	1,263	-	1,263
Foreign currency translation reserve		(6,323)	(6,242)	-	-
Fair value reserve		2	(353)	(948)	(353)
Retained earnings	32	7,627	6,003	4,731	3,524
		141,344	140,709	143,821	144,472
Minority interests		1,798	1,688	-	-
Total equity		143,142	142,397	143,821	144,472

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2007

IPC CORPORATION LTD AND SUBSIDIARY COMPANIES

GROUP	NOTE	ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP							TOTAL \$'000	MINORITY INTERESTS \$'000	TOTAL EQUITY \$'000
		SHARE CAPITAL \$'000	SHARE REVALUATION RESERVE \$'000	ASSET REVALUATION RESERVE \$'000	FOREIGN CURRENCY TRANSLATION RESERVE \$'000	FAIR VALUE RESERVE \$'000	RETAINED EARNINGS \$'000	TOTAL \$'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	19	-	-	-	487	-	487	-	487		
- Disposals		-	-	-	(132)	-	(132)	-	(132)		
Transfer of asset revaluation reserve to retained earnings on disposal of building	18	-	(1,263)	-	-	1,263	-	-	-		
Currency translation differences		-	-	(81)	-	-	(81)	(54)	(135)		
Net income/(loss) recognised directly in equity		-	(1,263)	(81)	355	1,263	274	(54)	220		
Net profit		-	-	-	-	1,683	1,683	164	1,847		
Total recognised income/(loss)		-	(1,263)	(81)	355	2,946	1,957	110	2,067		
Dividends paid	33	-	-	-	-	(1,322)	(1,322)	-	(1,322)		
End of financial year		140,038	-	(6,323)	2	7,627	141,344	1,798	143,142		

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2007

ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP

	NOTE	SHARE CAPITAL \$'000	SHARE PREMIUM \$'000	SHARE REVALUATION RESERVE \$'000	ASSET REVALUATION RESERVE \$'000	FOREIGN CURRENCY TRANSLATION RESERVE \$'000	FAIR VALUE RESERVE \$'000	RETAINED EARNINGS \$'000	TOTAL \$'000	MINORITY INTERESTS \$'000	TOTAL EQUITY \$'000
Group (continued)											
2006											
Beginning of financial year											
- As previously reported		105,723	34,455	2,188	(6,660)	720	13,363	149,789	1,869	151,658	
- Effects of adopting FRS 40	3	-	-	-	-	-	(290)	(290)	-	(290)	
- Effects of prior year adjustments	40	-	-	-	397	-	(2,693)	(2,296)	-	(2,296)	
- As restated		105,723	34,455	2,188	(6,263)	720	10,380	147,203	1,869	149,072	
Financial assets, available for sale											
- Fair value gains	19	-	-	-	-	293	-	293	-	293	
- Disposals		-	-	-	-	(1,366)	-	(1,366)	-	(1,366)	
Transfer of share premium		34,315	(34,455)	-	-	-	140	-	-	-	
Impairment loss on property, plant and equipment	26	-	-	(925)	-	-	-	(925)	-	(925)	
Currency translation differences		-	-	-	(96)	-	-	(96)	(56)	(152)	
Net income/(loss) recognised directly in equity											
- As previously reported		34,315	(34,455)	(925)	(96)	117	(1,073)	140	(2,094)	(56)	(2,150)
- Effects of prior year adjustments	40	-	-	-	117	-	-	-	117	-	117
- As restated		34,315	(34,455)	(925)	21	117	(1,073)	140	(1,977)	(56)	(2,033)
Net loss											
- As previously reported		-	-	-	-	-	(3,292)	(3,292)	(125)	(3,417)	
- Effects of adopting FRS 40	3	-	-	-	-	-	(58)	(58)	-	(58)	
- Effects of prior year adjustments	40	-	-	-	-	-	155	155	-	155	
- As restated		-	-	-	-	-	(3,195)	(3,195)	(125)	(3,320)	
Total recognised income/(loss)		34,315	(34,455)	(925)	21	(1,073)	(3,055)	(5,172)	(181)	(5,353)	
Dividends paid	33	-	-	-	-	-	(1,322)	(1,322)	-	-	(1,322)
End of financial year		140,038	-	1,263	(6,242)	(353)	6,003	140,709	1,688	142,397	

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2007

IPC CORPORATION LTD AND SUBSIDIARY COMPANIES

	NOTE	2007 \$'000	GROUP 2006 \$'000 RESTATED
Cash flows from operating activities			
Total profit/(loss)		1,847	(3,320)
Adjustments for			
- Income tax expense		59	(687)
- Depreciation		511	568
- Amortisation of prepaid leasehold properties		165	165
- Unrealised translation gains		(147)	(15)
- Loss/(gain) on disposals of property, plant and equipment		30	(12)
- Gain on disposal of financial assets, available-for-sale		(222)	(1,960)
- Impairment on financial assets, available-for-sale		114	638
- Reversal of impairment loss on other assets		(55)	(47)
- Gain on reduction of interest in former subsidiary company		(189)	-
- Interest income		(1,051)	(913)
- Dividend income		(80)	(14)
		982	(5,597)
Change in working capital, net of effects from derecognition of subsidiary			
- Properties		11,212	9,838
- Inventories		7	39
- Receivables		2,798	1,426
- Payables		(6,618)	(777)
- Restricted cash		-	(987)
- Pledged deposit		-	643
Cash generated from operations		8,381	4,585
Interest received		1,051	913
Income tax refund/(paid)		284	(40)
Net cash generated from operating activities		9,716	5,458
Cash flows from investing activities			
Purchases of property, plant and equipment		(260)	(547)
Proceeds from disposal of property, plant and equipment		22	12
Proceeds from disposal of non-current asset held for sale, net		7,021	-
Purchases of financial assets, available-for-sale		(2,418)	(4,217)
Proceeds from disposal of financial assets, available-for-sale		739	4,591
Dividends received		80	14
Reduction of interest in former subsidiary, net of cash disposed	13	(238)	-
Net cash generated from/(used in) investing activities		4,946	(147)
Cash flows from financing activities			
Advance deposit received		-	3,948
Repayment of borrowings		(1,974)	(8,320)
Dividends paid to equity holders of the Company		(1,322)	(1,322)
Net cash used in financing activities		(3,296)	(5,694)
Net increase/(decrease) in cash and cash equivalents		11,366	(383)
Cash and cash equivalents at beginning of financial year	13	34,134	34,517
Cash and cash equivalents at end of financial year	13	45,500	34,134

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

IPC Corporation Ltd (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 23 Tai Seng Drive, #06-00, Singapore 535224.

The principal activities of the Company are investment holding, property investment & property development.

The principal activities of its subsidiary companies are investment holding, property investment and property development, development and distribution of Thin Computing solutions and related products and sale and distribution of telecommunication products.

During the year, the Group reduced its equity stake in Nanyang Institute of Management ("NIM"). The partial disposal of the investment in NIM resulted in a loss of control, and the investment in NIM, previously a subsidiary, is now transferred and accounted for as an investment in associated company (Note 22). This has resulted in a discontinuance of the education segment during the year (Note 11).

The investment in associate is recognised at the carrying amount of the share of net asset retained in NIM. The accounting policy on investments in associated companies in the separated financial statements of the Company is as disclosed in Note 2.9.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

Interpretations and amendments to published standards effective in 2007

On 1 January 2007, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS and INT FRS that are relevant to the Group:

Amendments to FRS 1	Presentation of Financial Statements - Capital Disclosures
FRS 40	Investment Property
FRS 107	Financial Instruments: Disclosures
INT FRS 110	Interim Financial Reporting and Impairment

The adoption of the above FRS or INT FRS did not result in any substantial changes to the Group's accounting policies nor any significant impact on these financial statements, except for the adoption of FRS 40, of which the effects are disclosed in Note 3. FRS 107 and the complementarily amended FRS 1 introduce new disclosures relating to financial instruments and capital respectively.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria for each of the Group's activities are met as follows:

(a) Sales of goods

Revenue from sale of goods is recognised when a Group entity delivers the products to its customers and it is probable that the goods will not be returned, except for income from sale of development properties, which is recognised using the percentage of completion method as disclosed in Note 2.6.

Accumulated experience is used to estimate and provide for such returns at the time of sale.

(b) Rendering of services

Revenue is recognised when the services are rendered.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Rental income

Rental income from operating lease is recognised on a straight-line basis over the lease term.

(f) Membership and course fee

Membership fee is recognised on a straight-line basis over the membership term. Course fee is recognised on a straight-line basis over the period of the course.

2.3 GROUP ACCOUNTING

(a) Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the dates of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition, irrespective of the extent of minority interest.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 GROUP ACCOUNTING (CONTINUED)

(a) Subsidiaries (continued)

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests are that part of net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the Group. They are measured at the minorities' share of fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition, except when the minorities' share of losses in a subsidiary exceeds its interests in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minorities are attributed to the equity holders of the Company, unless the minorities have a binding obligation to, and are able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority interests are attributed to the equity holders of the Company until the minorities' share of losses previously absorbed by the equity holders of the Company are fully recovered.

(b) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recognised in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the Group's incremental share of the carrying value of identifiable net assets of the subsidiary.

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to between and including 20% and 50% of the voting rights. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting. Investments in associated companies in the consolidated balance sheet includes goodwill (net of any accumulated impairment losses) identified on acquisition.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in equity directly. These post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 GROUP ACCOUNTING (CONTINUED)

The accounting policy on investments in subsidiaries and associated companies in the separate financial statements of the Company is as included in Note 2.9.

2.4 PROPERTY, PLANT AND EQUIPMENT

(a) Measurement

(i) Leasehold land and buildings

Leasehold land and building are initially recognised at cost and subsequently carried at the revalued amount less accumulated depreciation and accumulated impairment losses.

Leasehold land and buildings are revalued by independent professional valuers annually and whenever their carrying amount are likely to differ materially from their revalued amount.

Increases in carrying amounts arising from revaluation are recognised in an asset revaluation reserve, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in the income statement. Decreases in carrying amounts that offset previous increases of the same asset are recognised against the asset revaluation reserve. All other decreases in carrying amounts are recognised in the income statement.

(ii) Other property, plant and equipment

All other property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(iii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including borrowing costs incurred for the property under development.

(b) Depreciation

Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold land and buildings	50-99 years
Leasehold improvements	5 years
Plant and equipment	3 - 5 years
Furniture, fixtures and fittings	3 - 5 years
Office equipment	3 - 5 years
Motor vehicles	3 - 5 years

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Depreciation (continued)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the income statement when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in the income statement when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the income statement. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2.5 LAND HELD FOR DEVELOPMENT

Land held for development include the costs for obtaining the right to occupy and use land, certain fees for altering the intended use of land and resettlement costs, and are stated at cost less accumulated impairment losses.

2.6 DEVELOPMENT PROPERTIES

Properties under development

Development properties are stated at cost. An allowance is made where the estimated net realisable value of the development properties has fallen below their carrying value.

Cost includes cost of land and other direct and related expenditure, including interest on borrowings, incurred in developing the properties. Interest and other related expenditure are capitalised as and when the activities that are necessary to get the asset ready for its intended development are in progress.

The interest on borrowings capitalised is arrived at by reference, where appropriate, to the actual rate payable on borrowings for development purposes.

When the development of these properties are completed, these properties are transferred and accounted for as properties developed for sale.

Properties developed for sale

Properties developed for sale are carried at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost and selling expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 DEVELOPMENT PROPERTIES (CONTINUED)

Revenue recognition on sale of development properties

Profit on the sale of properties under development is recognised in the financial statements using the percentage of completion method based on the stage of completion as certified by the architects or quantity surveyors for the individual units sold. Significant assumptions are required in determining the percentage of completion, the total estimated development costs and the estimated total revenue. In making the assumptions, the Group evaluates them by relying on past experience and the work of specialists. Where cost incurred and recognised profits exceed billings, the balance is shown as due from customers on development projects, under “trade and other receivable”.

2.7 BORROWING COSTS

Borrowing costs are recognised in the income statement using the effective interest method except for those costs that are directly attributable to borrowings acquired specifically for the acquisition, construction or production of a qualifying asset. Capitalisation of the borrowing costs commences when the activities to prepare the assets for its intended use or sale are in progress and the expenditure and borrowing costs are being incurred. Borrowing costs are capitalised until the assets are ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised.

2.8 PREPAID LEASEHOLD PROPERTIES

Prepaid leasehold properties are properties under operating leases where substantially all risk and rewards incidental to ownership are retained by the lessor. They are carried initially at cost and subsequently amortized on a straight-line basis over the lease terms.

2.9 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company’s balance sheet. On disposal of investments in subsidiaries and associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the income statement.

2.10 IMPAIRMENT OF NON-FINANCIAL ASSETS

Property, plant and equipment

Investments in subsidiaries and associated companies

Property, plant and equipment and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units (“CGU”) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income statement, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. The treatment of revaluation decrease is as disclosed in Note 2.4.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in the income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised in the income statement, a reversal of that impairment is also recognised in the income statement.

2.11 FINANCIAL ASSETS

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

(ii) Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the income statement. Any amount in the fair value reserve relating to that asset is transferred to the income statement.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

For available-for-sale financial assets that are subsequently carried at fair value, changes in the fair values are recognised in the fair value reserve. For equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, the investments are carried at cost less impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 FINANCIAL ASSETS (CONTINUED)

(d) *Subsequent measurement (continued)*

Interest and dividend income on financial assets, available-for-sale are recognised separately in the income statement. Changes in fair values of available-for-sale equity securities (i.e. non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

(e) *Impairment*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the income statement.

The allowance for impairment loss account is reduced through the income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Financial assets, available-for-sale

Significant or prolonged declines in the fair value of the security below its cost and the disappearance of an active trading market for the security are objective evidence that the security is impaired.

The cumulative loss that was recognised in the fair value reserve is transferred to the income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised in the income statement on debt securities. The impairment losses recognised in the income statement on equity securities are not reversed through the income statement.

2.12 BORROWINGS

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 TRADE AND OTHER PAYABLES

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.14 FAIR VALUE ESTIMATION OF FINANCIAL ASSETS AND LIABILITIES

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.15 OPERATING LEASE

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating lease. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

2.16 RESEARCH COSTS

Research costs are recognised as an expense when incurred.

2.17 INVENTORIES

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.18 INCOME TAXES

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognized on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probably that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 INCOME TAXES (CONTINUED)

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.19 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the income statement as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the income statement when the changes arise.

2.20 EMPLOYEE COMPENSATION

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due.

(b) *Share-based compensation*

The Company has an employee's share option scheme where employees are granted non-transferable option to purchase the shares of the Company.

No options were granted after 22 November 2002 and remained unvested as at 1 January 2005. Consequently, no expense has been recognised in the income statement.

When the options are exercised, share capital is increased by the amount of the proceeds received.

(c) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 CURRENCY TRANSLATION

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group are presented in Singapore Dollar.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the income statement, unless they arise from borrowings in foreign currencies and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to the income statement as part of the gain or loss on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) *Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the date of the balance sheet;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) All resulting currency translation differences are recognised in the currency translation reserve.

2.22 SEGMENT REPORTING

A business segment is a distinguishable component of the Group engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

2.23 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents include cash on hand, deposits with financial institutions.

2.24 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 DIVIDENDS TO COMPANY'S SHAREHOLDERS

Dividends to Company's shareholders are recognised when the dividends are approved for payments.

2.26 NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal groups) are classified as assets held for sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised in the income statement. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in the income statement.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and

- (a) represents a separate major line of business or geographical area of operations; or
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

3. EFFECTS ON FINANCIAL STATEMENTS ON ADOPTION OF NEW FRS

The Group has adopted FRS 40 Investment Property which came effective from 1 January 2007. FRS 40 permits investment properties to be stated at either fair value or cost less accumulated depreciation and accumulated impairment losses.

The Group had previously accounted for its prepaid leasehold properties as investment properties under FRS 25 Accounting for Investments. Under FRS 25, these properties are included in the balance sheet at cost, less accumulated impairment losses.

- (a) In 2006, the Group held a partially developed property on which construction has been temporarily stopped. The property was accounted for as an investment property. Under FRS 40, properties in the process of being developed, whether for sale in the ordinary course of business, for use as owner-occupied property, or for future use as investment property, are outside the scope of FRS 40. Consequently, the partially developed property has been reclassified to land held for development.
- (b) In 2006, the Group held a leasehold property under operating lease which was leased out to external parties. The leasehold property was accounted for as an investment property. Under FRS 40, for the leasehold property under operating lease to qualify as investment property, it must be stated at fair value and changes in fair values are recognised in the income statement when the changes arise. The Group accounts for investment properties using the cost model on adoption of FRS 40, and consequently, the leasehold property has been reclassified retrospectively as prepaid leasehold properties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

3. EFFECTS ON FINANCIAL STATEMENTS ON ADOPTION OF NEW FRS (CONTINUED)

These changes were effected retrospectively and consequently affected the following previous reported income statement items for the financial year ended 31 December 2006:

	GROUP AND COMPANY INCREASE/(DECREASE)	
	31.12.2006	
	\$'000	
Other operating expenses		58
Total loss		58

These changes were effected retrospectively and consequently affected the following previous reported balance sheet items as at 1 January 2006 and 31 December 2006.

	GROUP AND COMPANY INCREASE/(DECREASE)	
	31.12.2006	01.01.2006
	\$'000	\$'000
Investment property	(8,730)	(8,730)
Prepaid leasehold properties	1,867	1,925
Land held for development	6,515	6,515
Retained earnings	(348)	(290)

These changes do not materially affect the reported basic and diluted loss per share for the financial year ended 31 December 2006. Other than the above, the Group has adopted various new/revised FRS mandatory for financial periods beginning on or after 1 January 2007. These do not have a material financial impact on the Group's financial statements.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of financial assets, available-for-sale

The Group follows the guidance of FRS 39 in determining when an available-for-sale financial asset is considered impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of a financial asset is less than its cost, the financial health of and the near-term business outlook of the issuer of the instrument, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Refer to Note 36(a)(ii) for the sensitivity analysis.

5. REVENUE

	2007	GROUP
	\$'000	2006
		\$'000
Sale of goods	3,309	4,084
Sale of development properties	24,310	25,902
Rendering of services	111	-
Total sales	27,730	29,986

6. EXPENSES BY NATURE

	GROUP	
	2007	2006
	\$'000	\$'000
		RESTATED
The following are the major expenses by nature:		
Purchases	7,295	5,277
Depreciation of property, plant and equipment (Note 26)	511	411
Amortisation of prepaid leasehold property (Note 16)	165	165
Rental expense on operating lease	430	166
Write-off / Allowance for impairment of trade receivables	333	113
Advertising	263	401
Professional fees	465	294
Employee compensation (Note 7)	3,232	2,929
Property and miscellaneous tax	503	128
Transportation	492	333
Maintenance	283	333
Changes in inventories, properties developed for sale and property under development	11,632	23,563

7. EMPLOYEE COMPENSATION

	GROUP	
	2007	2006
	\$'000	\$'000
		RESTATED
Wages and salaries	3,074	4,330
Employer's contribution to defined contribution plans including Central Provident Fund	158	192
	3,232	4,522
Less: Amounts attributable to discontinued operations	-	(1,593)
Amounts attributable to continuing operations (Note 6)	3,232	2,929

8. OTHER INCOME

	GROUP	
	2007	2006
	\$'000	\$'000
		RESTATED
Interest income	1,051	913
Dividend income	80	14
Rental income	358	451
Other	109	38
	1,598	1,416
Less: Amounts attributable to discontinued operations	-	(27)
	1,598	1,389

9. OTHER (LOSSES)/GAIN - NET

	GROUP	
	2007	2006
	\$'000	\$'000
		RESTATED
Impairment loss on financial assets, available-for-sale (Note 19)	(114)	(638)
Gain on disposal of financial assets, available-for-sale	222	1,960
Reversal of impairment loss on other assets (Note 21)	55	47
Currency translation loss - net	(584)	(519)
(Loss)/gain on disposal of property, plant and equipment	(30)	12
	(451)	862

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

10. INCOME TAXES

INCOME TAX EXPENSE/(CREDIT)

	2007 \$'000	GROUP 2006 \$'000 RESTATED
Tax expense attributable to profit/(loss) is made up of:		
- Profit from current financial year:		
From continuing operations		
Current income tax		
- Singapore	(540)	(594)
- Foreign	212	(4)
Deferred tax - Foreign (Note 27)	387	143
	59	(455)
- Over provision in prior financial years:		
From continuing operations		
Current income tax	-	(232)
	59	(687)

There is no tax attributable to the discontinued operations.

The tax expense on profit/(loss) differs from the amount that would arise using the Singapore standard rate of income tax is as explained below:

	2007 \$'000	GROUP 2006 \$'000 RESTATED
Profit/(loss) before tax from		
- continuing operations	1,925	(2,028)
- discontinued operations	(19)	(1,979)
	1,906	(4,007)
Tax calculated at tax rate of 18% (2006: 20%)	343	(801)
Effects of		
- different tax rates in other countries	102	318
- expenses not deductible for tax purposes	726	1,111
- income not subject to tax	(644)	(1,405)
- utilisation of previously unrecognised tax losses	(576)	-
- deferred tax assets not recognised	108	322
Tax expense/(credit)	59	(455)

On 15 February 2007, the Singapore Second Minister for Finance announced a reduction in the corporate tax rate from 20% to 18% and various tax incentives for the year of assessment 2008 and onwards.

The Group has tax losses of \$97.6 million (2006: \$100.2 million) which includes development and expansion tax losses of \$8.3 million (2006: \$8.4 million) and unutilised tax losses of \$89.3 million (2006: \$91.8 million) that are available for offset against future taxable profits of the companies in which the losses arose for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

11. DISCONTINUED OPERATIONS

On 28 February 2007, the Group reduced its equity stake in Nanyang Institute of Management Pte Ltd ("NIM"), the education segment of the Group from 81.5% to 39.9%. This resulted in an increase in net assets of \$1.2m. However, only \$189,000 was recognised as a gain in the income statement (being previously accumulated losses now recovered) as the Group does not foresee further economic benefits from this investment. As a result of the partial disposal of the subsidiary, the Group lost control over NIM and the investment was transferred to investment in associated company at zero carrying value (Notes 22 and 23). In addition, management does not intend to be actively involved in the education business and as such, the results of NIM have been classified as discontinued operations in both the current and previous financial years.

The results of the discontinued operations of the disposal group are as follows:

	GROUP	
	2007	2006
	\$'000	\$'000
Revenue	406	2,167
Expenses	(614)	(4,146)
Loss before tax from discontinued operations	(208)	(1,979)
Tax	-	-
Loss after tax from discontinued operations	(208)	(1,979)
Gain on reduction of interest in former subsidiary, net	189	-
Total loss from discontinued operations	(19)	(1,979)

The impact of the discontinued operations on the cash flows of the Group is as follows:

	GROUP	
	2007	2006
	\$'000	\$'000
Operating cash outflows	(238)	(2,366)
Total cash outflows	(238)	(2,366)

12. EARNINGS/(LOSS) PER SHARE

- (a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	CONTINUING OPERATIONS		DISCONTINUED OPERATIONS		TOTAL	
	2007	2006 RESTATED	2007	2006 RESTATED	2007	2006 RESTATED
Net profit/(loss) attributable to equity holders of the Company (\$'000)	1,702	(1,578)	(19)	(1,617)	1,683	(3,195)
Weighted average number of ordinary shares outstanding for basic earnings/(loss) per share ('000)	528,614	528,614	528,614	528,614	528,614	528,614
Basic earnings/(loss) per share (cents per share)	0.32	(0.30)	(0.00)	(0.31)	0.32	(0.60)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

12. EARNINGS/(LOSS) PER SHARE (CONTINUED)

(b) Diluted earnings/(loss) per share

For the purpose of calculating diluted earnings/(loss) per share, profit/(loss) attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

For share options, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

There is no dilution to earnings / (loss) per share for the financial years ended 31 December 2006 and 2007 as there were no potential dilutive ordinary shares existing during the respective financial years.

13. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Cash at bank and on hand	20,533	15,435	875	3,765
Short-term bank deposits	24,967	20,104	20,859	9,598
Cash and bank balances	45,500	35,539	21,734	13,363

For the purpose of presenting the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

	GROUP	
	2007 \$'000	2006 \$'000
Cash and bank balances	45,500	35,539
Less: Restricted cash	-	(1,405)
Cash and cash equivalents per consolidated cash flow statement	45,500	34,134

Restricted cash represents amount held under Student Tuition Fee Account which were placed in the custody of a Consumers Association of Singapore ("CASE") endorsed bank.

Reduction of interests in former subsidiary

On 28 February 2007, the Group reduced its equity stake in Nanyang Institute of Management Pte Ltd ("NIM"), the education unit of the Group from 81.5% to 39.9% (Note 11).

13. CASH AND CASH EQUIVALENTS (CONTINUED)

The aggregate effect of the reduction in interests in the former subsidiary on the cashflows of the Group was:

	CARRYING AMOUNT \$'000
Identifiable assets and liabilities	
Cash and cash equivalents	(238)
Restricted cash	(1,405)
Trade and other receivables	(294)
Property, plant and equipment (Note 26)	(441)
Total assets	(2,378)
Trade and other payables	2,611
Total liabilities	2,611
Identifiable net assets	233
Less: Minority interests	(44)
Identifiable net assets disposed	189

The aggregate cash outflows arising from the reduction of interest in NIM were:

	GROUP \$'000
Identifiable net assets disposed	(189)
Gain on reduction of interests in a former subsidiary, net	189
Cash proceeds from disposal	-
Less: Cash and cash equivalents in subsidiaries derecognised	(238)
Net cash outflow on disposal (Note 11)	(238)

14. TRADE AND OTHER RECEIVABLES - CURRENT

	GROUP		COMPANY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Trade receivables				
- Subsidiaries	-	-	-	498
- Non-related parties	279	44,906	17	14
Less: Allowance for impairment of receivables	-	(41,671)	-	-
Trade receivables - net	279	3,235	17	512
Staff loans	-	192	-	4
Deposits	231	379	93	52
Prepayments	59	61	-	-
Other receivables	1,123	364	140	-
Total	1,692	4,231	250	568

The 2006 comparatives for the Group and Company exclude the tax recoverable balances which are separately presented in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

15. INVENTORIES

	2007 \$'000	GROUP 2006 \$'000
Finished goods	58	65

The cost of inventories recognised as an expense and included in "cost of sales" amounts to \$101,079 (2006: \$397,744).

16. PREPAID LEASEHOLD PROPERTIES

	2007 \$'000	GROUP 2006 \$'000	2007 \$'000	COMPANY 2006 \$'000
Beginning of financial year	8,394	8,559	1,867	1,925
Amortisation recognised in the income statement (Note 6)	(165)	(165)	(58)	(58)
End of financial year	8,229	8,394	1,809	1,867

Refer to Note 3(b) for the reclassification of the 2006 balances as a result of the adoption of FRS 40.

17. PROPERTIES DEVELOPED FOR SALE

	2007 \$'000	GROUP 2006 \$'000
Land cost	12,155	7,571
Development expenditure	8,497	22,355
End of financial year	20,652	29,926

The details of the Group's properties developed for sale are as follows:

NAME OF PROPERTY	DESCRIPTION	TYPE OF DEVELOPMENT	TENURE OF PROPERTY	SITE AREA SQ.M.	ATTRIBUTABLE INTEREST
Hua Yuan Shi Chang Da Lou Yi Lou-Si Lou	Zhuhai Xiang Zhou Yin Hua Lu	Commercial	50 years lease term	5,100	100%
Xu Ri Wan Hua Yuan Yang Fang	Zhuhai Tang Jia Jiu Keung	Residential	70 years lease term	3,205	100%
Xu Ri Wan Hua Yuan	1-3 Zu Tuan Di Xia Che Ku	Residential	70 years lease term	2,705	100%
Xin Jia Po Hua Yuan Yi Qi Shang Pu	Zhuhai Xiang Zhou Yin Hua Lu	Commercial	50 years lease term	5,982	100%

The 2006 comparatives exclude the non-current asset held for sale, which is separately disclosed in Note 18.

18. NON-CURRENT ASSET HELD FOR SALE

	2007 \$'000	GROUP 2006 \$'000
Building	-	7,021

18. NON-CURRENT ASSET HELD FOR SALE (CONTINUED)

The detail of the Group's and Company's non-current asset held for sale is as follows:

NAME OF PROPERTY	DESCRIPTION	TYPE OF DEVELOPMENT	TENURE OF PROPERTY	SITE AREA SQ.M.	ATTRIBUTABLE INTEREST
IPC Building	23 Tai Seng Drive	Commercial	60 years lease term	3,814	100%

In 2006, the building was accounted for in accordance with FRS 105 Non-current Assets Held For Sale and Discontinued Operations, and depreciation on the building ceased from the date of its reclassification.

The building was subsequently sold in 2007 and an amount of \$1,263,000 was transferred from the asset revaluation reserve to retained earnings.

19. FINANCIAL ASSETS, AVAILABLE-FOR-SALE

	GROUP		COMPANY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Beginning of financial year	4,606	4,732	3,144	4,570
Currency translation differences	(9)	-	-	-
Additions	2,418	4,217	869	2,917
Fair value gains/(losses) recognised in equity	487	293	(463)	293
Impairment losses (Note 9)	(114)	(638)	-	(638)
Disposals	(1,207)	(3,998)	(407)	(3,998)
End of financial year	6,181	4,606	3,143	3,144
Less: Current portion	-	-	-	-
Non-current portion	6,181	4,606	3,143	3,144

Available-for-sale financial assets are analysed as follows:

	GROUP		COMPANY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Listed securities				
- equity securities - Singapore	3,592	2,223	2,222	2,223
Unlisted securities				
- China	968	1,083	921	921
- Vietnam	1,621	-	-	-
Convertible loans	-	1,300	-	-
	6,181	4,606	3,143	3,144

The unlisted investment fund in Vietnam is stated at fair value which is based on the market value of the equity investments, which are listed either on Ho Chi Minh Stock Exchange and Ha Noi Stock Exchange, comprising the portfolio as at 31 December 2007.

The unlisted equity investment in China is stated at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

20. OTHER RECEIVABLES - NON-CURRENT

	COMPANY	
	2007 \$'000	2006 \$'000
Other receivables - Loans to subsidiaries	74,671	97,917

The loans to subsidiaries are unsecured, interest free and is repayable on demand. The carrying amount of the loans to subsidiaries approximates to its fair value.

21. OTHER ASSETS

	GROUP	
	2007 \$'000	2006 \$'000
Beginning of financial year	140	93
Add: Reversal of impairment loss (Note 9)	55	47
End of financial year	195	140

22. INVESTMENTS IN ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Equity investment at cost			-	-
Beginning of financial year	-	-		
Transfer from investment in subsidiary (Notes 11 and 23)	-	-		
Disposal of associated company	-	-		
End of the financial year	-	-		
The summarised financial information of associated companies are as follows:				
- Assets	6,130	2,377		
- Liabilities	16,531	15,088		
- Revenue	4,565	2,659		
- Net (loss)/profit	(590)	(1,940)		
Contingent liabilities in which the Group is severally liable	100	-		

The Group has not recognised its share of losses of associated companies amounting to \$235,000 (2006: \$774,000) because the Group's cumulative share of losses exceeds its interests in those entities and the Group has no obligation in respect of those losses. The cumulative unrecognised losses amount to \$10,136,000 (2006: \$9,900,000) at the balance sheet date.

Details of significant associated companies are provided in Note 43.

23. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2007 \$'000	2006 \$'000
<i>Equity investments at cost</i>		
Beginning of financial year	12,670	14,167
Addition	22,259	503
Transfer to investments in associated companies (Notes 11 and 22)	-	-
Impairment loss	(197)	(2,000)
End of financial year	34,732	12,670

Details of significant subsidiaries are included in Note 43.

The 2006 comparatives excludes loans to subsidiaries, which are separately disclosed in Note 20.

24. PROPERTY UNDER DEVELOPMENT

	GROUP	
	2007 \$'000	2006 \$'000
Property under development	43,923	46,274
Interest capitalised during the financial year	-	405

The Group's property under development is held by Zhuhai IPC Property Development Co Ltd., a wholly-owned subsidiary company of the Company which is incorporated in the People's Republic of China.

Details of the Group's property under development is as follows:

NAME OF PROPERTY	DESCRIPTION	TYPE OF DEVELOPMENT	TENURE OF PROPERTY	STAGE OF COMPLETION/	SITE AREA SQ.M.	ATTRIBUTABLE INTEREST
				EXPECTED DATE OF COMPLETION		
Xu Ri Wan Hua Yuan	Zhuhai Tang Jia Jiu Keng	Commercial	70 years lease term	Development stage/31 Dec 2008	13,199	100%

25. LAND HELD FOR DEVELOPMENT

	GROUP		COMPANY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Land held for development	16,797	16,384	6,515	6,515

The Group's land held for development are held by Zhuhai IPC Property Development Co Ltd., a wholly-owned subsidiary company of the Company which is incorporated in the People's Republic of China.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

25. LAND HELD FOR DEVELOPMENT (CONTINUED)

Details of the Group's land held for development are as follows:

NAME OF PROPERTY	DESCRIPTION	TYPE OF DEVELOPMENT	TENURE OF PROPERTY	STAGE OF COMPLETION	SITE AREA SQ.M.	ATTRIBUTABLE INTEREST
Xin Jia Po Hua Yuan San Qi Di Kuai	Zhuhai Xiang Zhou Yin Hua Lu	Land parcel	50 years lease term	Development stage	16,636	100%
Ju Ren Da Sha *	Xiang Zhou Yin Hua Lu	Office	50 years lease term	Development stage	29,045	24%

* Land held for development by the Company

Refer to Note 3(b) for the reclassification of the 2006 balances as a result of the adoption of FRS 40.

26. PROPERTY, PLANT AND EQUIPMENT

	LEASEHOLD LAND, BUILDING AND IMPROVEMENTS \$'000	PLANT AND MACHINERY \$'000	FURNITURE, FIXTURES AND FITTINGS \$'000	MOTOR VEHICLES \$'000	OFFICE EQUIPMENT \$'000	TOTAL \$'000
Group						
2007						
Cost						
Beginning of financial year	10,421	45	518	1,088	1,117	13,189
Currency translation differences	64	2	1	2	-	69
Additions	-	-	14	161	85	260
Derecognition of subsidiary	-	(3)	(8)	(30)	(779)	(820)
Disposals	-	(44)	(5)	(390)	(20)	(459)
End of financial year	10,485	-	520	831	403	12,239
Accumulated depreciation and accumulated impairment losses						
Beginning of financial year	530	44	283	530	550	1,937
Currency translation differences	3	1	-	(1)	2	5
Depreciation charge						
- Continuing operations (Note 6)	296	-	53	120	42	511
Derecognition of subsidiary	-	(1)	(1)	(15)	(362)	(379)
Disposals	-	(44)	(5)	(338)	(20)	(407)
End of financial year	829	-	330	296	212	1,667
Net book value						
End of financial year	9,656	-	190	535	191	10,572

26. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	LEASEHOLD LAND, BUILDING AND IMPROVEMENTS \$'000	PLANT AND MACHINERY \$'000	FURNITURE, FIXTURES AND FITTINGS \$'000	MOTOR VEHICLES \$'000	OFFICE EQUIPMENT \$'000	TOTAL \$'000
Group (continued)						
2006						
<i>Cost</i>						
Beginning of financial year	14,130	106	617	1,001	1,245	17,099
Currency translation differences	(174)	(4)	-	(12)	(7)	(197)
Additions	-	-	270	99	178	547
Disposals	(126)	(57)	(369)	-	(299)	(851)
Transfer from properties under development	7,208	-	-	-	-	7,208
Transfer to non-current asset held for sale (Note 18)	(10,617)	-	-	-	-	(10,617)
End of financial year	10,421	45	518	1,088	1,117	13,189
<i>Accumulated depreciation and accumulated impairment losses</i>						
Beginning of financial year	3,114	104	616	412	678	4,924
Currency translation differences	(19)	(4)	-	(4)	(6)	(33)
Depreciation charge						
- Continuing operations (Note 6)	232	-	35	116	28	411
- Discontinued operations	-	1	1	6	149	157
Disposals	(126)	(57)	(369)	-	(299)	(851)
Impairment loss	925	-	-	-	-	925
Transfer to non-current asset held for sale (Note 18)	(3,596)	-	-	-	-	(3,596)
End of financial year	530	44	283	530	550	1,937
Net book value						
End of financial year	9,891	1	235	558	567	11,252

NOTES TO THE FINANCIAL STATEMENTS

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26. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	LEASEHOLD LAND, BUILDING AND IMPROVEMENTS \$'000	PLANT AND MACHINERY \$'000	FURNITURE, FIXTURES AND FITTINGS \$'000	MOTOR VEHICLES \$'000	OFFICE EQUIPMENT \$'000	TOTAL \$'000
Company						
2007						
Cost						
Beginning of financial year	-	-	343	224	106	673
Additions	-	-	-	-	14	14
End of financial year	-	-	343	224	120	687
Accumulated depreciation						
Beginning of financial year	-	-	247	67	84	398
Depreciation charge	-	-	20	45	8	73
End of financial year	-	-	267	112	92	471
Net book value						
End of financial year	-	-	76	112	28	216
2006						
Cost						
Beginning of financial year	10,743	57	611	224	347	11,982
Additions	-	-	101	-	20	121
Disposals	(126)	(57)	(369)	-	(261)	(813)
Transfer to non-current asset held for sale (Note 18)	(10,617)	-	-	-	-	(10,617)
End of financial year	-	-	343	224	106	673
Accumulated depreciation						
Beginning of financial year	2,743	57	611	22	342	3,775
Depreciation charge	54	-	5	45	3	107
Impairment loss	925	-	-	-	-	925
Disposals	(126)	(57)	(369)	-	(261)	(813)
Transfer to non-current asset held for sale (Note 18)	(3,596)	-	-	-	-	(3,596)
End of financial year	-	-	247	67	84	398
Net book value						
End of financial year	-	-	96	157	22	275

27. DEFERRED INCOME TAX ASSETS

Deferred tax assets were recognised in respect of those tax losses and deductible temporary differences in respect of a subsidiary company, which in the opinion of the directors, is probable that sufficient taxable profits will be available to utilise the deferred tax assets in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	2007 \$'000	GROUP 2006 \$'000
Deferred income tax assets - to be recovered within one year	116	521

Movement in deferred income tax account is as follows:

	2007 \$'000	GROUP 2006 \$'000
Beginning of financial year	521	721
Currency translation differences	(18)	(57)
Tax charged to income statement (Note 10)	(387)	(143)
End of financial year	116	521

28. TRADE AND OTHER PAYABLES

	2007 \$'000	GROUP 2006 \$'000	2007 \$'000	COMPANY 2006 \$'000
Trade payables to				
- Non-related parties	4,626	4,893	38	41
- Associated companies	663	663	-	-
- Subsidiaries	-	-	29	30
	5,289	5,556	67	71
Other accrual for operating expenses	3,417	12,336	469	715
	8,706	17,892	536	786

29. BORROWINGS

	2007 \$'000	GROUP 2006 \$'000
<i>Current</i>		
Bank borrowings	-	1,974

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

At 31 December 2006, the Group's bank borrowings were secured by certain of the Group's property under development with aggregate carrying amount of approximately \$35,361,446 (Note 24). The bank borrowing was fully repaid in year 2007.

The effective interest rate of this bank loan was 7.24% per annum as at 31 December 2006.

30. ADVANCE DEPOSIT

The deposit represents the amount received from a third party for the participation rights in the Group's land held for development (Note 25). The balance is unsecured and non-interest bearing.

31. SHARE CAPITAL

	NUMBER OF SHARES				AMOUNT	
	AUTHORISED SHARE CAPITAL	ISSUED SHARE CAPITAL	AUTHORISED SHARE CAPITAL \$'000	ISSUED SHARE CAPITAL \$'000	SHARE PREMIUM \$'000	TOTAL SHARE CAPITAL AND SHARE PREMIUM \$'000
Group and Company						
2007						
Beginning and end of financial year	-	528,614	-	140,038	-	140,038
2006						
Beginning of financial year	528,614	528,614	528,614	105,723	34,315	140,038
Effect of Companies (Amendment) Act 2005	(528,614)	-	(528,614)	34,315	(34,315)	-
End of financial year	-	528,614	-	140,038	-	140,038

Under the Companies (Amendment) Act 2005 that came into effect on 30 January 2006, the concepts of par value and authorised share capital are abolished and the amount in the share premium account as of 30 January 2006 became part of the company's share capital.

All issued shares are fully paid.

(a) Share options

The Company approved on 23 May 1994 and 31 October 2001 the IPC Employees' Share Option Scheme, which enables full-time employees, full-time executive directors, executive directors who are the Company's controlling shareholders and non-executive directors of the Company and its subsidiary companies to acquire unissued ordinary shares of the Company.

The exercise price of the options is determined at the average of the last dealt prices of the Shares (as determined by reference to the daily official list published by the SES) for the five consecutive trading days immediately preceding the relevant Offering Date, or the nominal value of the Share, whichever is higher.

Options without discount may be exercised after one year from the date of grant. The options with discount may only be exercised after two years from the date of grant.

The options may be exercised in full or in part in respect of 1,000 shares or a multiple thereof, on the payment of the exercise price.

Movement in the number of unissued ordinary shares under option and their exercise prices are as follows:

31. SHARE CAPITAL (CONTINUED)

	NUMBER OF ORDINARY SHARES UNDER OPTIONS					EXERCISE PRICE	EXERCISE PERIOD
	BEGINNING OF FINANCIAL YEAR	GRANTED DURING FINANCIAL YEAR	LAPSED DURING FINANCIAL YEAR	EXERCISED DURING FINANCIAL YEAR	END OF FINANCIAL YEAR		
2007							
1999 Options	249,250	-	-	-	249,250	\$1.172	12.11.2000-11.11.2009
2001 Options	225,000	-	-	-	225,000	\$0.228	15.01.2002-14.10.2011
2002 Options	500,000	-	(500,000)	-	-	\$0.272	11.03.2004-10.03.2007
2002 Options	1,037,500	-	-	-	1,037,500	\$0.272	11.03.2004-10.03.2012
	2,011,750	-	(500,000)	-	1,511,750		
2006							
1999 Options	249,250	-	-	-	249,250	\$1.172	12.11.2000-11.11.2009
2001 Options	225,000	-	-	-	225,000	\$0.228	15.01.2002-14.10.2011
2002 Options	500,000	-	-	-	500,000	\$0.272	11.03.2004-10.03.2007
2002 Options	1,037,500	-	-	-	1,037,500	\$0.272	11.03.2004-10.03.2012
	2,011,750	-	-	-	2,011,750		

All the outstanding options for 1,511,750 (2006: 2,011,750) shares, are exercisable at the balance sheet date.

32. RETAINED EARNINGS

- (a) All retained earnings of the Group and the Company are distributable.
- (b) Movement in retained earnings for the Company is as follows:

	COMPANY	
	2007 \$'000	2006 \$'000
Beginning of financial year		
- As previously reported	3,872	3,274
- Effects of adopting FRS 40	(348)	(290)
As restated	3,524	2,984
Transfer from asset revaluation reserve	1,263	-
Net profit	1,266	1,862
Dividends paid (Note 33)	(1,322)	(1,322)
End of financial year	4,731	3,524

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For the financial year ended 31 December 2007

33. DIVIDENDS

	GROUP AND COMPANY	
	2007 \$'000	2006 \$'000
<i>Ordinary dividends paid</i>		
Final exempt (one-tier) dividend paid in respect of the previous financial year of 0.25 cents (2006: 0.25 cents) per share.	1,322	1,322

At the Annual General Meeting to be held in April 2008, a final exempt (one-tier) dividend of 0.25 cents per share amounting to a total of \$1,322,000 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2008.

34. CONTINGENCIES

CONTINGENT LIABILITIES

Contingent liabilities, excluding those relating to investments in associated companies (Note 22) of which the probability of settlement is not remote at the balance sheet date, are as follows:

GROUP

Zhuhai IPC Property Developments Co. Ltd ("IPC Zhuhai"), a wholly-owned subsidiary of the Company, is the developer of residential and commercial projects. It is customary for financial institutions in China to require the developers to provide counter-guarantees for mortgage loan extended to buyers of the developers' properties.

Under the counter-guarantee provided by IPC Zhuhai to financial institutions in China, any default on the mortgage loan from the mortgagee will require IPC Zhuhai to pay to the financial institutions the balance amount unrecovered from proceeds of the property sold and other legal recovering proceedings against the mortgagee.

These guarantees will be released upon the issuance of the real estate ownership certificate to buyers and issuance of certificate of mortgage register for real estate ownership to the banks for mortgaged loans entered in 2006 and 2007. For mortgage loans entered before 1 January 2005, the guarantees will be released upon the settlement of mortgaged loans between the banks and buyers.

	GROUP	
	2007 \$'000	2006 \$'000
Guarantee given to banks for mortgage facilities granted to IPC Zhuhai's Property	17,896	15,264

COMPANY

The Company has issued a corporate guarantee of S\$100,000 (2006: nil) to a bank for the borrowing of an associated company with a net tangible asset of S\$2,207,500 as at 31 December 2007 (2006: net tangible liability of S\$24,226). This bank borrowing amount is \$nil (2006: \$nil) at the balance sheet date.

35. COMMITMENTS

(a) CAPITAL COMMITMENTS

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements, excluding those relating to investments in associated companies (Note 22) are as follows:

	GROUP	
	2007	2006
	\$'000	\$'000
Construction of the properties under development	183	2,349
Property, plant and equipment	-	80
	183	2,429

(b) OPERATING LEASE COMMITMENTS - WHERE THE GROUP IS A LESSEE

The Group and Company leases office space from non-related parties under non-cancellable operating lease agreements. These leases have varying terms and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	GROUP AND COMPANY	
	2007	2006
	\$'000	\$'000
Not later than one year	212	212
Between one and five years	213	425
	425	637

(c) OPERATING LEASE COMMITMENTS - WHERE THE GROUP IS A LESSOR

The Group and Company lease out factory space to non-related parties under non-cancellable operating leases. These leases have varying terms and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	GROUP	
	2007	2006
	\$'000	\$'000
Not later than one year	-	174

36. FINANCIAL RISK MANAGEMENT

FINANCIAL RISK FACTORS

The Group's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits are established in accordance with the objectives and underlying principles approved by the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk

(i) Currency risk

The Group operates in Asia and United States of America with dominant operations in Singapore and the People's Republic of China. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as the Singapore Dollar ("SGD"), United States Dollar ("USD"), Hongkong Dollars ("HKD") and Chinese Yuan or Renminbi ("RMB").

Currency risk arises when transactions are denominated in foreign currencies.

The Group does not enter into any arrangements or contracts to manage its foreign currency risk arising from cash flows from anticipated transactions and financial arrangements denominated in foreign currencies, primarily the RMB and USD. Consequently, transactions are subjected to the fluctuation of foreign currencies. In addition, the Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operations in the People's Republic of China are managed primarily through borrowings denominated in the relevant foreign currencies, if any.

The Group's currency exposure based on the information provided to key management is as follows:

	SGD \$'000	USD \$'000	HKD \$'000	RMB \$'000	TOTAL \$'000
At 31 December 2007					
Financial assets					
Cash and cash equivalents and financial assets available-for-sale	21,180	12,529	1,182	16,790	51,681
Trade and other receivables	858	65	8	702	1,633
	22,038	12,594	1,190	17,492	53,314
Financial liabilities					
Trade and other payables	(5,860)	(135)	(431)	(2,280)	(8,706)
Net financial assets/(liabilities)	16,178	12,459	759	15,212	44,608
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	(16,178)	(2,349)	-	(15,212)	(33,739)
Currency exposure	-	10,110	759	-	10,869
At 31 December 2006					
Financial assets					
Cash and cash equivalents and financial assets available-for-sale	17,883	11,244	1,311	9,707	40,145
Trade and other receivables	418	70	150	3,532	4,170
	18,301	11,314	1,461	13,239	44,315
Financial liabilities					
Borrowings	-	-	-	(1,974)	(1,974)
Trade and other payables	(8,122)	(228)	(1,013)	(8,529)	(17,892)
Net financial assets/(liabilities)	10,179	11,086	448	2,736	24,449
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	(10,179)	(1,872)	-	(2,736)	(14,787)
Currency exposure	-	9,214	448	-	9,662

36. FINANCIAL RISK MANAGEMENT (CONTINUED)**(a) Market risk (continued)***(i) Currency risk (continued)*

The Company's currency exposure based on the information provided to key management is as follows:

	SGD \$'000	USD \$'000	HKD \$'000	TOTAL \$'000
At 31 December 2007				
Financial assets				
Cash and cash equivalents and financial assets available-for-sale	19,380	4,729	768	24,877
Trade and other receivables	74,921	-	-	74,921
	94,301	4,729	768	99,798
Financial liabilities				
Trade and other payables	(498)	(38)	-	(536)
Net financial assets/(liabilities)	93,803	4,691	768	99,262
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	(93,803)	-	-	(93,803)
Currency exposure	-	4,691	768	5,459
At 31 December 2006				
Financial assets				
Cash and cash equivalents and financial assets available-for-sale	14,718	1,234	555	16,507
Trade and other receivables	98,485	-	-	98,485
	113,203	1,234	555	114,992
Financial liabilities				
Trade and other payables	(745)	(41)	-	(786)
Net financial assets/(liabilities)	112,458	1,193	555	114,206
Less: Net financial liabilities/ (assets) denominated in the respective entities' functional currencies	(112,458)	-	-	(112,458)
Currency exposure	-	1,193	555	1,748

If the USD, RMB and HKD change against the SGD by 7% (2006: 7%), 1% (2006: 1%) and 6% (2006: 6%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position will be as follows:

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For the financial year ended 31 December 2007

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

	2007		2006	
	INCREASE/(DECREASE)		INCREASE/(DECREASE)	
	PROFIT AFTER TAX \$'000	EQUITY \$'000	PROFIT AFTER TAX \$'000	EQUITY \$'000
GROUP				
USD against SGD	708	164	645	131
RMB against SGD	-	152	-	27
HKD against SGD	46	-	27	-
COMPANY				
USD against SGD	328	-	83	-
HKD against SGD	46	-	33	-

The weakening of USD, RMB and HKD against the SGD by 7% (2006:7%), 1% (2006:1%) and 6% (2006: 6%) respectively had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

(ii) Price risk

The Group is exposed to equity securities price risk because of the investments held by the Group which are classified on the consolidated balance sheet as financial assets, available-for-sale. These securities are either listed in Singapore or non-listed. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Board of Directors.

If prices for listed and non-listed and fair value of equity security change by 5% (2006: 5%) and 5% (2006: 5%) respectively with all other variables including tax rate being held constant, the profit after tax and equity will be:

	2007		2006	
	INCREASE/(DECREASE)		INCREASE/(DECREASE)	
	PROFIT AFTER TAX \$'000	EQUITY \$'000	PROFIT AFTER TAX \$'000	EQUITY \$'000
Increased by				
GROUP				
Listed in Singapore	-	179	-	111
Unlisted in Vietnam	-	82	-	-
Unlisted in China	2	-	8	-
COMPANY				
Listed in Singapore	-	111	-	111

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Price risk (continued)

A 5% weakening on the price of the financial assets, available-for-sale would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

(iii) Cash flow and fair value interest rate risks

The Group's exposure to changes in interest rates is mainly attributable to its cash and cash equivalents. In view of the short maturity of its bank deposits, impact from changes in interest rates is considered to be minimal. Financial assets, available-for-sale and other financial assets and liabilities do not have material interest rate risk.

(b) Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to customers. For banks and financial institutions, deposits are placed with regulated banks. For credit exposures to customers, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The Group's and Company's do not have a significant concentration of debtors in the trade receivables.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	COMPANY	
	2007 \$'000	2006 \$'000
Corporate guarantees provided to bank on associated company overdraft facilities	100	-

The Group's and Company's major classes of financial assets are bank deposits and trade receivables.

The credit risk for trade receivables based on the information provided to key management is as follows:

	GROUP		COMPANY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
By geographical areas				
Asia Pacific	210	3,156	17	512
America	4	9	-	-
Europe	65	70	-	-
	279	3,235	17	512
By types of customers				
Non-related parties				
- Other companies	92	97	17	14
- Individuals	187	3,138	-	-
Subsidiaries	-	-	-	498
	279	3,235	17	512

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks and financial institutions which are regulated by local monetary authorities. Trade receivables that are neither past due nor impaired are substantially companies or individuals with a good collection track record with the Group.

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	GROUP		COMPANY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Past due 0 to 3 months	2	452	-	126
Past due 3 to 6 months	-	341	-	86
Past due over 6 months	189	1	-	-
	191	794	-	212

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	GROUP		COMPANY	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Gross amount	-	41,671	-	-
Less: Allowance for impairment	-	(41,671)	-	-
	-	-	-	-
Beginning of financial year	41,671	45,254	-	-
Currency translation difference	3	(15)	-	-
Allowance made	-	103	-	-
Allowance utilised	(41,674)	(3,671)	-	-
End of financial year	-	41,671	-	-

The impaired trade receivables arise mainly from a subsidiary's debtors where the debts are long outstanding and now written off.

(c) Liquidity risk

The Group and Company manages its liquidity risk and maintaining sufficient cash and cash equivalents deemed adequate by management to finance their normal operating commitments and to mitigate the effects of fluctuations in cash flows. The Group and Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The financial liabilities of the Group and Company mature within 1 year from balance sheet date.

36. FINANCIAL RISK MANAGEMENT (CONTINUED)**(d) Capital risk**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

37. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and purchases of goods and services

	COMPANY	
	2007	2006
	\$'000	\$'000
Subsidiary companies		
Management fees received from subsidiaries	116	516
Less: Discontinued operations	(80)	(480)
Continued operations	36	36
Rental income received from subsidiaries	72	72

Outstanding balances at 31 December 2007, arising from sale/purchase of goods and services, are set out in Notes 14 and 28 respectively.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	GROUP	
	2007	2006
	\$'000	\$'000
Wages and salaries	1,504	1,553
Employer's contribution to defined contribution plans, including Central Provident Fund	31	39
	1,535	1,592
Less: Discontinued operations	-	(75)
Continued operations	1,535	1,517

Included in the above is total compensation to directors of the Company amounting to \$913,000 (2006: \$916,000).

The banding of directors' remuneration is disclosed in Principle 9 in the Report of Corporate Governance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

38. SEGMENT INFORMATION

(a) Primary reporting format - business segments

	THIN COMPUTING \$'000	PROPERTIES \$'000	OTHER \$'000	TOTAL FOR CONTINUING OPERATIONS \$'000	DISCONTINUED OPERATIONS - EDUCATION \$'000
GROUP					
Financial year ended 31 December 2007					
Sales					
- external sales	3,293	24,310	127	27,730	406
- other income	-	183	175	358	-
	3,293	24,493	302	28,088	406
Unallocated other income	-	-	-	1,240	-
				29,328	406
Segment result					
Finance expenses	485	2,717	(1,226)	1,976	(19)
Profit before income tax				(51)	-
Income tax expense				1,925	(19)
Total profit/(loss)				(59)	-
				1,866	(19)
Other segment items					
Capital expenditure					
- property, plant and equipment	-	236	14	250	10
Depreciation	-	393	118	511	-
Impairment losses	114	-	(55)	59	-
Other non-cash expenses	-	-	333	333	-

	THIN COMPUTING \$'000	PROPERTIES \$'000	OTHER \$'000	ELIMINATIONS \$'000	TOTAL FOR CONTINUING OPERATIONS \$'000
Segment assets	7,538	122,656	113,241	(87,674)	155,761
Unallocated assets					116
Consolidated total assets					155,877
Segment liabilities	494	94,083	94,932	(176,831)	12,678
Unallocated liabilities					57
Consolidated total liabilities					12,735

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

38. SEGMENT INFORMATION (CONTINUED)

(a) Primary reporting format - business segments (continued)

At 31 December 2007, the Group is organised into three main business segments:

- Thin Computing;
- Property; and
- Others.

Inter-segment transactions are recorded at their transacted price which is generally at fair value. Unallocated costs represent corporate expenses. Segment assets consist primarily of property, plant and equipment, inventories, receivables, operating cash and investment properties and exclude deferred income tax assets. Segment liabilities comprise payables, provisions and exclude income tax liabilities. Capital expenditures comprise additions to property, plant and equipment, including those acquired through business combinations.

(b) Secondary reporting format - geographical segments

The Group's three business segments operate in three main geographical areas:

- Asia Pacific - the Company is headquartered and has operations in Singapore. The operations in this area are principally the distribution of Thin Computing solutions, investment holding, property investment and property development and the sale and distribution of telecommunication products.
- America - the operations in this area are principally the development and distribution of Thin Computing solutions and related products;
- Europe - the operations in this area are principally the distribution of Thin Computing solutions and related products; and
- Other countries - the operations include the distribution of Thin Computing solutions and related products and the sale and distribution of telecommunication products.

With the exception of Singapore and the People's Republic of China, no other individual country contributed more than 10% of consolidated sales and assets. Sales are based on the country in which the customer is located. Total assets and capital expenditure are shown by the geographical area where the assets are located.

38. SEGMENT INFORMATION (CONTINUED)**(b) Secondary reporting format - geographical segments (continued)**

	SALES FOR CONTINUING OPERATIONS		SALES FOR DISCONTINUED OPERATIONS		TOTAL CONSOLIDATED SALES	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Asia Pacific	24,831	26,213	406	2,167	25,237	28,380
United States of America	1,194	1,914	-	-	1,194	1,914
Europe	1,555	1,424	-	-	1,555	1,424
Other countries	150	435	-	-	150	435
	27,730	29,986	406	2,167	28,136	32,153
						TOTAL CONSOLIDATED ASSETS
Asia Pacific					154,281	164,026
United States of America					1,480	1,858
					155,761	165,884
Unallocated assets					116	521
					155,877	166,405
	CAPITAL EXPENDITURE FOR CONTINUING OPERATIONS		CAPITAL EXPENDITURE FOR DISCONTINUED OPERATIONS		TOTAL CONSOLIDATED CAPITAL EXPENDITURE	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Asia Pacific	250	7,706	10	49	260	7,755

39. EVENTS OCCURRING AFTER BALANCE SHEET DATE

On 18th February 2008, 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.

40. PRIOR YEAR ADJUSTMENTS

In the current financial year, adjustments were made retrospectively in respect of certain subsidiaries for the following areas in the prior financial years:

(1) Adjustment to income tax expense and tax recoverable

In the prior financial years, management used to provide for tax expense in its subsidiary, IPC Zhuhai Development Property (Zhuhai) Ltd, based on estimated assessable profits derived from accounting gain on the sale of properties. Management has reviewed this practice in the current financial year and is of the opinion that it is more appropriate to recognise tax expense in accordance with how the local PRC tax has been computed (i.e. based on tax values of properties sold). This is the same basis as that adopted in the local statutory financial statements of this subsidiary. This has been adjusted retrospectively and the table below presents the effects of this retrospective adjustment.

(2) Release of translation reserve

IPC Peripherals Inc (USA), a subsidiary of the group, became a dormant company prior to 1 January 2006. As this subsidiary had a US\$ functional currency, there was an amount of S\$397,000 accumulated in the translation reserve of the Group in relation to that subsidiary. This amount was not released to the income

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40. PRIOR YEAR ADJUSTMENTS (CONTINUED)

(2) Release of translation reserve (CONTINUED)

statement at the time the subsidiary became dormant. Management has reviewed the treatment in the current financial year and concluded that when the subsidiary became dormant, it should be treated as a disposal of a foreign operation, with a release of the translation reserve in the income statement as required by FRS 21 The Effects of Changes in Foreign Exchange Rates. This has been adjusted retrospectively and the table below presents the effects of this retrospective adjustment.

The effects of the above adjustments are as follows:

	AS PREVIOUSLY REPORTED \$'000	EFFECTS OF ADJUSTMENTS INCREASE/(DECREASE) (1) \$'000	EFFECTS OF ADJUSTMENTS INCREASE/(DECREASE) (2) \$'000	AS RESTATE \$'000
The Group				
Balance Sheet				
As at 31 December 2006				
Tax recoverable	4,076	(2,024)	-	2,052
Translation reserve	6,756	(117)	(397)	6,242
Retained earnings (1/1/07)	(8,541)	2,141	397	(6,003)
As at 1 January 2006				
Translation reserve	6,660	-	(397)	6,263
Retained earnings (1/1/06)	(13,073)	2,296	397	(10,380)
Income Statement				
For the year ended 31 December 2006				
Income tax credit	(532)	(155)	-	(687)
Net loss	3,475	(155)	-	3,320

* Previously reported balances included the effects of adoption of FRS 40 (Note 3).

41. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2008 or later periods and which the Group has not early adopted. The Group's assessment of the impact of adopting those standards, amendments and interpretations that are relevant to the Group is set out below:

(a) **INT FRS 111 Group and Treasury Share Transactions** (effective for annual periods beginning on or after 1 March 2007)

The Group adopted INT FRS 111 on 1 January 2008. INT FRS 111 clarifies that the arrangement where an entity receives goods or services as consideration for its own equity-instruments shall be accounted for as an equity-settled share-based payment ("SBP") transaction, regardless of how the equity instruments needed are obtained. It also provides guidance on whether group SBP arrangements shall be classified as equity-settled or cash-settled SBP arrangements.

41. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

- (b) **FRS 108 Operating Segments** (effective for annual periods beginning on or after 1 January 2009)

FRS 108 supersedes FRS 14 Segment Reporting and requires the Group to report the financial performance of its operating segments based on the information used internally by management for evaluating segment performance and deciding on allocation of resources. Such information may be different from the information included in the financial statements, and the basis of its preparation and reconciliation to the amounts recognised in the financial statements shall be disclosed.

The Group will apply FRS 108 from 1 January 2009 and provide comparative information that conforms to the requirements of FRS 108. The Group is still in the process of assessing the impact on application of FRS 108.

- (c) **Revised FRS 23 Borrowing Costs** (effective for annual periods beginning on or after 1 January 2009)

The revised standard removes the option to recognise immediately as an expense borrowing costs that are attributable to qualifying assets, except for those borrowing costs on qualifying assets that are measured at fair value or inventories that are manufactured or produced in large quantities on a repetitive basis.

The Group will apply the revised FRS 23 from 1 January 2009. As the Group has been capitalising the relevant borrowing costs, the revised standard is not expected to have any impact to the Group.

Interpretation that is not yet effective and not relevant for the Group's operations

- (d) **INT FRS 112 Service Concession Arrangements** (effective for annual periods beginning on or after 1 January 2008)

INT FRS 112 addresses how operators shall account for rights and obligations arising from service concession arrangements, where control of the assets remains in public hands but the operator is responsible for construction activities, as well as for operating and maintaining the public sector infrastructure. As none of the group entities are operators of such arrangements, INT FRS 112 is not relevant to the Group.

42. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of IPC Corporation Limited on 31 March 2008.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

43. LISTING OF ALL COMPANIES IN THE GROUP

NAME OF COMPANIES	PRINCIPAL ACTIVITIES	COUNTRY OF BUSINESS/ INCORPORATION	EQUITY HOLDING	
			2007 %	2006 %
Significant subsidiaries held by the Company				
Corex Technology (S) Pte Ltd ^(f)	Compulsory liquidation	Singapore	100	100
e-ipc (HK) Ltd ^(e)	Investment holding (Dormant)	Hong Kong	100	100
Essex Electronics (Singapore) Pte Ltd ^(e)	Sales and distribution of telecommunication products	Singapore	100	100
IPC Corporation (Korea) Ltd ^(e)	Sales and distribution of computers and related products (Dormant)	Korea	92	92
IPC (Holdings) Inc. ^(e)	Investment holding (Dormant)	U.S.A	100	100
IPC Information and Communication (Pte) Ltd ^(a)	Provision of commercial value-added network services (Dormant)	Singapore	100	100
IPC Peripherals Pte Ltd ^(a)	Sales and distribution of computer system boards and peripheral products	Singapore	100	100
IPC Singapore Pte Ltd ^(a)	Investment holding	Singapore	100	100
IPC Systems (M) Sdn Bhd ^(f)	Sales and distribution of computers and related products (In members voluntary wind-up)	Malaysia	100	100
Nanyang Institute of Management Pte Ltd ^(d)	Premier education provider	Singapore	-	81.48
ThinSoft (Holdings) Inc ^(b)	Investment holding	Cayman Island	74.81	74.81
Zhuhai IPC Property Developments Co. Ltd ^(c)	Investment holding and property development	People's Republic of China	100	100
Zhuhai Costa Del Sol Club Management Co. Ltd ^(c)	Club management company	People's Republic of China	25	25

43. LISTING OF ALL COMPANIES IN THE GROUP (CONTINUED)

NAME OF COMPANIES	PRINCIPAL ACTIVITIES	COUNTRY OF BUSINESS/ INCORPORATION	EQUITY HOLDING	
			2007 %	2006 %
Significant subsidiaries held by the subsidiaries				
Corex Systems (S) Pte Ltd ^(a)	Assembly of electronic components and trading of electronic products (Dormant)	Singapore	100	100
IPC Peripherals Inc ^(e)	Development and marketing of computer peripheral products (Dormant)	U.S.A	90	90
ThinSoft Inc ^(b)	Holdings of intellectual properties	British Virgin Islands	74.81	74.81
ThinSoft (Investment) Inc ^(b)	Investment holding	British Virgin Islands	74.81	74.81
ThinSoft Pte Ltd ^(a)	Sales and distribution of Thin Computing solutions and related products	Singapore	74.81	74.81
ThinSoft (USA) Inc ^(b)	Development and distribution of Thin Computing solutions and related products	U.S.A	74.81	74.81
Zhuhai Costa Del Sol Club Management Co. Ltd ^(c)	Club Management company	People's Republic of China	75	75
Significant associated companies held by the Company				
IPC Duna S.R.L. ^(g)	Sales and distribution of computers and related products	Romania	-	50
Imagique Computer Design (S) Pte Ltd ^(d)	Design and development of palm top computers	Singapore	24.62	24.62
Hagenuk Pte Ltd ^{(a),(e)}	Sales and distribution of telecommunication products	Singapore	50	50
Nanyang Institute of Management Pte Ltd ^(d)	Premier education provider	Singapore	39.90	-

(a) Audited by PricewaterhouseCoopers, Singapore

(b) Audited by PricewaterhouseCoopers, Hong Kong

(c) Audited by Zhuhai Unison Certified Public Accountants. Management financial statements are reviewed by PricewaterhouseCoopers Singapore as part of the audit of the consolidated financial statements.

(d) Audited by other accounting firms

(e) Dormant entities, immaterial to the Group

(f) In the process of liquidation

(g) Liquidated on 18 April 2006

SHAREHOLDERS' INFORMATION

AS AT 24 MARCH 2008

Number of equity securities	:	528,613,759
Class of equity securities	:	Ordinary shares
Voting rights	:	One vote per share
Number of treasury shares	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	10,363	31.82	4,779,050	0.91
1,000 - 10,000	17,777	54.59	54,829,272	10.37
10,001 - 1,000,000	4,401	13.51	186,393,704	35.26
1,000,001 AND ABOVE	27	0.08	282,611,733	53.46
TOTAL	32,568	100.00	528,613,759	100.00

TWENTY LARGEST SHAREHOLDERS

NAME	NO. OF SHARES	%
1. OEI HONG LEONG FOUNDATION PTE LTD	63,604,000	12.03
2. ESSEX INVESTMENT (S) PTE LTD	50,387,433	9.53
3. UNITED OVERSEAS BANK NOMINEES PTE LTD	46,787,056	8.85
4. DBS NOMINEES PTE LTD	13,827,555	2.62
5. CITIBANK NOMINEES SINGAPORE PTE LTD	11,323,506	2.14
6. RAFFLES NOMINEES PTE LTD	9,830,500	1.86
7. LAUW HUI KIAN	7,731,860	1.46
8. NGIAM MIA HAI BERNARD	7,306,860	1.38
9. NGIAM MIA JE PATRICK	7,093,208	1.34
10. NGIAM MIA HONG ALFRED	7,056,860	1.34
11. KEE SUE HWA	7,054,003	1.33
12. NGIAM MIA KIAT BENJAMIN	7,024,541	1.33
13. OCBC NOMINEES SINGAPORE PTE LTD	5,466,738	1.03
14. UOB KAY HIAN PTE LTD	5,387,900	1.02
15. THE KOREA DEVELOPMENT BANK	4,958,296	0.94
16. DBS VICKERS SECURITIES (S) PTE LTD	4,674,443	0.88
17. OCBC SECURITIES PRIVATE LTD	4,279,750	0.81
18. KIM ENG SECURITIES PTE. LTD.	2,873,595	0.54
19. CUI ZHENNAN	2,630,000	0.50
20. PHILLIP SECURITIES PTE LTD	2,299,004	0.43
TOTAL	271,597,108	51.36

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

63.74% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST.

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	DIRECT INTEREST	%	DEEMED INTEREST	%
OEI HONG LEONG FOUNDATION PTE. LTD.	63,604,000	12.03	-	-
CHIP LIAN PRIVATE LIMITED ¹	-	-	63,604,000	12.03
OEI HONG LEONG ²	-	-	63,604,000	12.03
ESSEX INVESTMENT (SINGAPORE) PTE LTD (“ESSEX”)	50,387,433	9.53	-	-
NGIAM MIA JE PATRICK ³	7,093,208	1.34	58,119,293	10.99
NGIAM MIA KIAT BENJAMIN ⁴	7,024,541	1.33	50,387,433	9.53
LAUW HUI KIAN ⁵	7,731,860	1.46	57,480,641	10.87
UNITED OVERSEAS BANK LIMITED ⁶	-	-	41,481,509	7.85

Notes:

- Deemed interest in 63,604,000 shares held by Oei Hong Leong Foundation Pte. Ltd. (“OHLF”) by virtue of Section 7 of the Companies Act, Cap. 50 (the “Act”). OHLF is a wholly-owned subsidiary of Chip Lian Private Limited.
- Deemed interest in 63,604,000 shares held by Oei Hong Leong Foundation Pte. Ltd. (“OHLF”) by virtue of Section 7 of the Act. Oei Hong Leong (“OHL”) owns more than 50% of the issued shares in the capital of Chip Lian Private Limited, which, in turn, hold 100% of the issued shares in the capital of OHLF. By virtue of Section 7 of the Act, OHL is deemed to be interested in 63,604,000 shares held by OHLF.
- Deemed interest in 50,387,433 shares held by Essex by virtue of Section 7 of the Act and 7,731,860 shares held by Ms Lauw Hui Kian by virtue of Section 164 of the Act.
- Deemed interest in 50,387,433 shares held by Essex by virtue of Section 7 of the Act.
- Deemed interest in 50,387,433 shares held by Essex by virtue of Section 7 of the Act and 7,093,208 shares held by Mr Ngiam Mia Je Patrick by virtue of Section 164 of the Act.
- United Overseas Bank Limited is the beneficial owner of 41,481,509 shares held by UOB Nominees Pte Ltd.

NOTICE TO ANNUAL GENERAL MEETING

IPC CORPORATION LTD
(Co. Reg. No. 198501057M)
(Incorporated in Singapore with limited liability)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of IPC CORPORATION LTD (the "Company") will be held at 23 Tai Seng Drive, #06-00, Singapore 535224 on Tuesday, 29 April 2008 at 2.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the year ended 31 December 2007 together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a first and final tax exempt dividend of 0.25 cents per share for the year ended 31 December 2007 (2006: 0.25 cents per share). **(Resolution 2)**
3. To re-elect the following Directors retiring pursuant to Article 90 of the Company's Articles of Association:
Ms Lauw Hui Kian **(Resolution 3)**
Mr William Michael Driscoll **(Resolution 4)**
4. To approve the payment of Directors' fees of S\$95,000.00 for the year ended 31 December 2007 (2006: S\$95,000.00). **(Resolution 5)**
5. To re-appoint Messrs PricewaterhouseCoopers as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to issue shares up to 50 per centum (50%) of the issued shares in the capital of the Company**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

- (2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the total number of issued shares in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new shares arising from the exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.
- [See Explanatory Note (i)] **(Resolution 7)**

8. **Authority to issue shares under the IPC Employees' Share Option Scheme**

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be authorised and empowered to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the IPC Employees' Share Option Scheme ("the Scheme"), whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be allotted and issued pursuant to the Scheme shall not exceed fifteen per centum (15%) of the total number of issued shares in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)] **(Resolution 8)**

By Order of the Board

NGIAM MIA HAI BERNARD

Secretary

Singapore, 14 April 2008

NOTICE TO ANNUAL GENERAL MEETING

IPC CORPORATION LTD
(Co. Reg. No. 198501057M)
(Incorporated in Singapore with limited liability)

Explanatory Notes:

- (i) The Ordinary Resolution 7 in item 7 above, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

- (ii) The Ordinary Resolution 8 in item 8 above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted under the Scheme up to a number not exceeding in total (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued shares in the capital of the Company from time to time.

Notes :

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy must be deposited at the registered office of the Company at 23 Tai Seng Drive, #06-00, Singapore 535224 not less than 48 hours before the time appointed for holding the Meeting.

NOTICE OF BOOK CLOSURE

IPC CORPORATION LTD
(Co. Reg. No. 198501057M)
(Incorporated in Singapore with limited liability)

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of IPC Corporation Ltd (the "Company") will be closed on 9 May 2008 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 3 Church Street #08-01, Samsung Hub, Singapore 049483 up to 5.00 p.m. on 8 May 2008 will be registered to determine shareholders' entitlements to the said dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 8 May 2008 will be entitled to the proposed dividend.

Payment of the dividend, if approved by the members at the Annual General Meeting to be held on 29 April 2008 will be made on 30 May 2008.

PROXY FORM

Please see notes overleaf before completing this form.

IPC CORPORATION LTD
(Co. Reg. No. 198501057M)
(Incorporated in Singapore with limited liability)

IMPORTANT:

1. For investors who have used their CPF monies to buy IPC CORPORATION LTD's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We _____ of _____

being a member/members of IPC Corporation Ltd (the "Company"), hereby appoint:

NAME	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

and/or (delete as appropriate)

NAME	NRIC/PASSPORT NO.	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on Tuesday, 29 April 2008 at 2.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting

(Please indicate your vote "For" or "Against" with a tick (✓) within the box provided.)

NO.	RESOLUTIONS RELATING TO:	FOR	AGAINST
1	Directors' Report and Audited Accounts for the year ended 31 December 2007		
2	Payment of proposed first and final tax exempt dividend		
3	Re-election of Ms Lauw Hui Kian as a Director		
4	Re-election of Mr William Michael Driscoll as a Director		
5	Approval of Directors' fees amounting to S\$95,000.00		
6	Re-appointment of Messrs PricewaterhouseCoopers as Auditors		
7	Authority to issue new shares		
8	Authority to issue shares under the IPC Employees' Share Option Scheme		

Dated this _____ day of _____ 2008

 Signature of Shareholder (s)
 or, Common Seal of Corporate Shareholder

TOTAL NUMBER OF SHARES IN	NO. OF SHARES
(a) CDP Register	
(b) Register of Members	

* Delete where inapplicable



Notes :

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member of the Company appoints more than one proxy, that member shall specify the proportion of his/her shareholding to be represented by each proxy and if the proportion is not specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholding of that member and the second named proxy shall be deemed to be an alternate to the first named proxy.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 23 Tai Seng Drive, #06-00, Singapore 535224 not less than 48 hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

