



ANNUAL REPORT 2010



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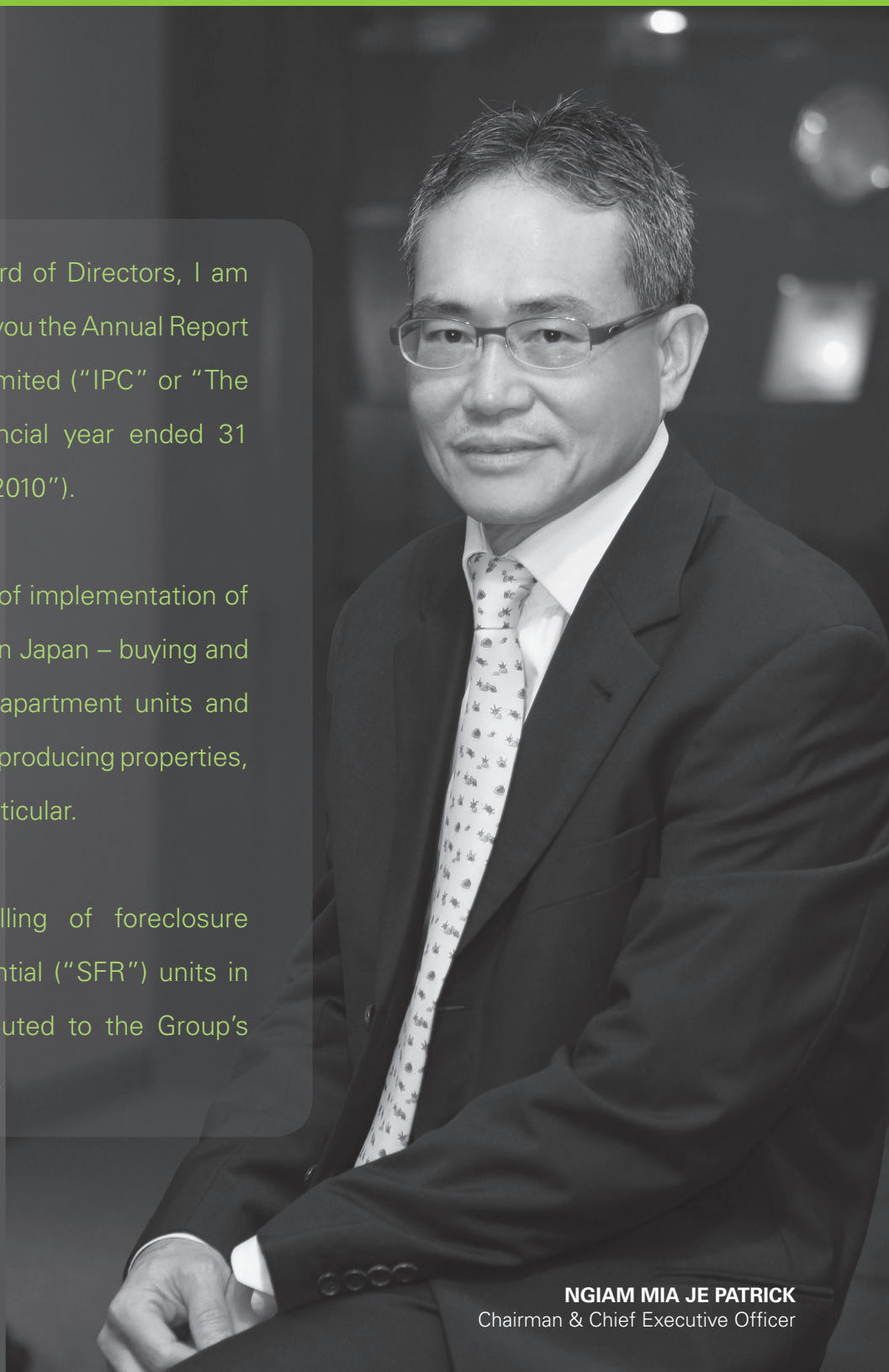
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CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present to you the Annual Report of IPC Corporation Limited ("IPC" or "The Group") for the financial year ended 31 December 2010 ("FY2010").

Year 2010 was a year of implementation of the Group's strategy in Japan – buying and selling of residential apartment units and investment in income producing properties, business hotels in particular.

The buying and selling of foreclosure Single Family Residential ("SFR") units in the USA also contributed to the Group's performance for 2010.



NGIAM MIA JE PATRICK
Chairman & Chief Executive Officer

CHAIRMAN'S STATEMENT

FINANCIAL OVERVIEW

Group sales increased 15.5% to S\$23.143 million for year ended 31 December 2010 when compared to S\$20.029 million recorded in the previous year. The increase was attributed primarily to the sales of apartment units in Japan and residential properties in USA. Correspondingly, gross profit increased by 50.1% to approximately S\$5.379 million as compared to S\$3.584 million in FY2009.

The Group's other gains of approximately S\$6.545 million was mainly attributed to gains of S\$4.415 million from the disposal of its "available-for-sale" investments and approximately S\$5.028 million from the revaluation of investment properties in Japan whilst weighed down by an unrealised foreign translation loss of about S\$3.497 million. The unrealised foreign translation loss was due to the weakening of exchange rate of US dollars and Chinese RMB, and the strengthening of exchange rate of Japanese Yen against Singapore dollars.

With the improvement on gross profit, coupled with other gains and other income, the Group registered a profit before tax of about S\$6.668 million and an after-tax profit attributable to shareholders of S\$4.824 million for the year ended 31 December 2010.

As at 31 December 2010, the Group's cash and cash equivalents remain at a strong position of about S\$68.717 million as compared to S\$55.395 million in the previous corresponding period.

With our healthy cash position, IPC shall continue to proactively seek for new opportunities and to implement its defined strategies.

DEVELOPMENTS IN FY2010

The Group's twin-strategy in Japan – buy-sell activity in residential apartment units and investment in income producing properties, primarily focusing in business hotels, has taken shape for the year under review.

At the end of Q1 2010, the second purchase of residential apartment units comprising of 50 units located in Tsuchiura, Japan was bought for JPY 190 million. All the units were completely sold in the year under review.

On 26 April 2010, the Group purchased a distressed uncompleted condominium project comprising 77 apartments at Uraga, Japan and development is in progress and scheduled for completion in the 1st half of 2011. Contribution shall be recognised upon completion as the whole project has been sold. This is the third residential project, which the Group had purchased since venturing into the Japanese property market.

On the investment in business hotels in Japan, the Group purchased the first two business hotels in Tokyo – Asagaya (112 rooms) and Asakusa (96 rooms) with a total acquisition cost of approximately JPY 1.866 billion or around S\$28 million. Operations for the said two hotels have started since 7 August 2010 and they are managed under the "Smile" brand. The two hotels are expected to contribute positively to the Group's performance.

CHAIRMAN'S STATEMENT

Group sales
increased

15.5%↑

S\$23.143 million

DEVELOPMENTS IN FY2010

The Group on 21 Dec 2010 acquired a third business hotel (208 rooms) in Okayama, Japan with a total acquisition cost of approximately JPY 711 million or S\$11.09 million. The Okayama hotel is leased with a fixed term till end of September 2020 to KK Greens, which operates more than 50 hotels by its group of companies in Japan under the "Comfort" brand. The Okayama hotel shall have a positive contribution to the Group from FY2011.

The buy-sell activity of Single Family Residential ("SFR") units in USA is ongoing, albeit at a slower pace due to the irregular foreclosure issues faced by the major banks.

The Group is continuing its efforts to evaluate and invest in business hotels in Japan with a plan of building a portfolio of income producing assets. In addition, the Group's unit in China continues its property consulting and investment (PCI) activity in the 2nd tier cities.

FUTURE PLANS AND PROSPECTS

Having established a more in-depth presence and stronger connection in Japan, the Group will continue its strategic thrust in buy-sell activity as well as investment in income producing properties. The Group shall also be venturing into acquiring of land to develop and sell.

In addition, the Group will continue to execute its strategies in the USA and China.

DIVIDEND

In appreciation of the support demonstrated by our shareholders in FY2010, the Board of Directors is recommending a final dividend of S\$0.0025 per ordinary share.

WORD OF APPRECIATION

On behalf of the Board of Directors, I would like to take this opportunity to thank our shareholders, management team, business associates and our valued customers for their dedication, support and contributions made to the Group for the past year. We look forward to your continual support as we strive to create greater shareholder value for all in 2011.

REVIEW OF OPERATIONS

FINANCIAL REVIEW

For the financial year ending 31 December 2010, Group sales increased 15.5% to S\$23.143 million when compared to S\$20.029 million recorded in the previous year.

The increase in revenue was attributed primarily to the sales of apartment units in Japan and residential properties in USA. Correspondingly, gross profit increased by 50.1% to approximately S\$5.379 million as compared to S\$3.584 million for the previous year.

The Group's other gains of approximately S\$6.545 million was mainly due to gains of S\$4.415 million from the disposal of its "available-for-sale" investments and around S\$5.028 million from the revaluation of investment properties in Japan. But the quantum was weighed down by an unrealised foreign translation loss of about S\$3.497 million. The unrealised foreign translation loss was due to the weakening of exchange rate of US dollars and Chinese RMB, and the strengthening of exchange rate of Japanese Yen against Singapore dollars.

With the improvement on gross profit, coupled with other gains and other income, the Group registered a profit before tax of about S\$6.668 million and an after-tax profit attributable to shareholders of S\$4.824 million for the year ended 31 December 2010.

As at 31 December 2010, the Group's cash and cash equivalents improved to S\$68.717 million as compared to S\$55.395 million in the previous corresponding period.

With the healthy cash position, IPC shall continue to proactively seek for new opportunities and to implement its defined strategies.

PROPERTY – JAPAN, USA and CHINA

2010 was a year of actions where the Group executed and implemented its strategy in Japan in the buy-sell of residential apartment units and buying of income producing assets, mainly in business hotels.

Likewise for the USA, the Group continued its buying and selling of foreclosure Single Family Residential ("SFR") units which also contributed to the Group's performance for the year under review.

JAPAN

The Group's twin-strategy – buy-sell activity in residential apartment units and investment in income producing properties, primarily focusing in business hotels, has taken shape for the year under review.

At the end of Q1 2010, the second purchase of residential apartments comprising of 50 units located in Tsuchiura, Japan was bought for JPY 190 million. All the units were completely sold in the year under review.

On 26 April 2010, the Group purchased a distressed uncompleted condominium project comprising 77 apartments at Uruga, Japan and development is in progress and scheduled for completion in the 1st half of 2011. Contribution shall be recognised upon completion as the whole project has been sold. This is the third residential project, which the Group had purchased since venturing into the Japanese property market.

REVIEW OF OPERATIONS

Gross profit
increased

50.1% 

S\$5.379 million



JAPAN

On the investment in business hotels in Japan, the Group purchased the first two business hotels in Tokyo – Asagaya (112 rooms) and Asakusa (96 rooms) with a total acquisition cost of approximately JPY 1.866 billion or around S\$28 million on 30 June 2010. Operations for the said two hotels have started since 7 August 2010 and they are managed under the “Smile” brand. The two hotels are expected to contribute positively to the Group’s performance.

The Group on 21 Dec 2010 acquired a third business hotel (208 rooms) in Okayama, Japan with a total acquisition cost of approximately JPY 711 million or S\$11.09 million. The Okayama hotel is leased with a fixed term till end of September 2020 to KK Greens, which operates more than 50 hotels by its group of companies in Japan under the “Comfort” brand. The Okayama hotel shall have a positive contribution to the Group from FY2011.

The Group is stepping up its efforts in identifying more income producing properties for acquisition so that it can enjoy a constant income stream.

At the same time, the Group is capitalising on its contacts to explore more residential apartment units to purchase.

With a more in-depth knowledge of the property market in Japan, the Group shall be seeking opportunities in land acquisition for development as well as investment into other types of property that meet with the Group’s targeted returns.

USA

For the period under review, more SFR units have been acquired. The selling process has met with the Group’s expectation as well. But buying of foreclosure SFR units have encountered headwind due to the irregular foreclosure issues faced by the major banks.

Going forward, the Group shall also expand into other States and look at alternative approaches to acquire foreclosure properties.

The Group shall also explore income-producing properties for acquisition.

CHINA

The Group is taking a cautious stand on the property segment in China due to the over-heating economy and various cooling measures undertaken by its government.

Notwithstanding, the Group is still exploring opportunities under its PCI programme in the 2nd tier cities.

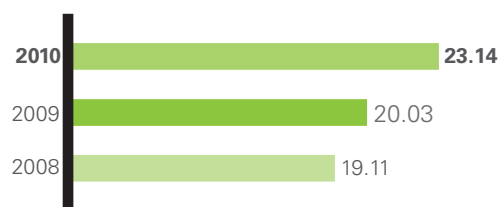
PROSPECTS AND STRATEGY

The Group will continue to implement and execute its strategies in Japan, USA and China.

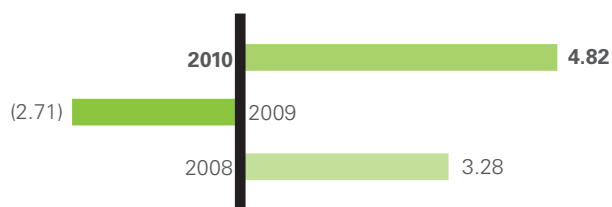
In Japan, the Group shall also be evaluating opportunities in land acquisition with the view to develop and sell.

FINANCIAL HIGHLIGHTS

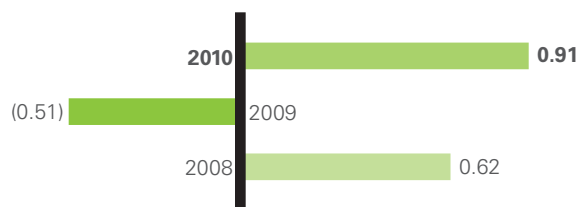
TOTAL SALES (S\$ million)



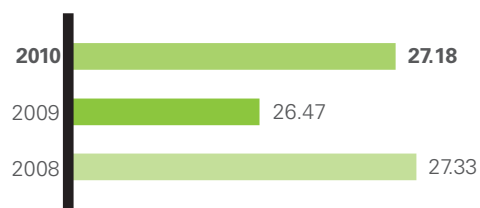
NET PROFIT/(LOSS) AFTER TAX AND NON-CONTROLLING INTERESTS (S\$ million)



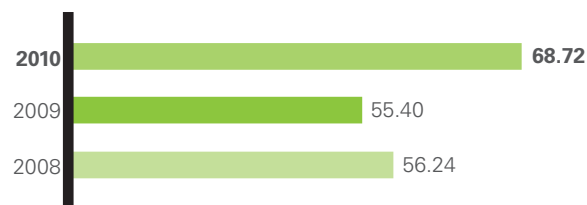
EARNINGS/(LOSS) PER SHARE (S\$ cents)



NET ASSET VALUE PER ORDINARY SHARE (S\$ cents)



CASH AND CASH EQUIVALENTS (S\$ million)



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"). Patrick, graduated in Electronics Engineering, is an acknowledged entrepreneur in Singapore 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 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 graduated from the University of Waterloo, Canada with a Bachelor of Mathematics in Computer Science and Statistics, Dean's Honour Roll, in 1986.

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 and auditing 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 qualified Chartered Accountant of the Institute of Chartered Accountants in England and Wales. He is fellow 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.

LI LING XIU

Ms. Li is the Chief Executive Officer of Chip Lian Investments (HK) Limited ("Chip Lian") and Sanion Enterprises Limited. Prior to joining Chip Lian, she was the Group Deputy General Manager of China Strategic Holdings Limited, a listed company in Hong Kong. She has 20 years experience in investing in Asia, especially in China. She sits on various Board of Directors including Centillion Environment & Recycling Limited and Japan Asia Holdings Limited. She is also a director of Fudan Premium Fund Management.

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)

Li Ling Xiu
(Non-Independent, Nominating Committee)

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)

Lee Soo Hoon Phillip
(appointed on 5th Feb 2010)

Li Ling Xiu
(appointed on 5th Feb 2010)

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
50 Raffles Place, #32-01, Singapore Land Tower,
Singapore 048623.
Tel: 65365355 Fax: 65361360

AUDITORS

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

AUDIT PARTNER

Trillion So
Year of appointment : 2007

REPORT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

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 at least 4 meetings in a year, 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 15 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 aspect of the Company’s operations or business issues from the management. The 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. Newly appointed directors will be briefed on the Group’s business and governance policies.

Principle 2: Board Composition and Balance

Presently, the Board comprises 3 non-executive and independent directors, 1 non-executive and 5 executive directors. This composition complies with the code’s requirement that at least one-third of the Board should be made up of Independent 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 2010, the NC is of the view that the independent directors of the Company are independent and that no individual or small group of individuals dominate the Board’s decision

REPORT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

BOARD OF DIRECTORS (CONTINUED)

Principle 2: Board Composition and Balance (continued)

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 positions of Chairman and CEO is held by one person, 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 who is not a substantial shareholder nor directly associated with a substantial shareholder. There are five members in the NC, three 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)
Mr Lee Soo Hoon Phillip
Ms Li Ling Xiu

REPORT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

BOARD COMMITTEES (CONTINUED)

Nominating Committee ("NC") (continued)

Principle 4: Board Membership (continued)

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 conducts 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, level of participation at meetings, the quality of contributions in board discussions.

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.

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 Board is of the view that its members have the requisite financial management expertise and experience to discharge the AC's functions.

REPORT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

BOARD COMMITTEES (CONTINUED)

Audit Committee ("AC") (continued)

Principle 11: Audit Committee

Principle 12: Internal Controls (continued)

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 auditor, approves the remuneration of the external auditor, and reviews the scope and results of the audit, and its cost-effectiveness;
2. reviews (with the other committees, Management and the internal auditor, together with the external auditor) significant financial risks or exposures that exist and assesses the steps Management has taken to minimise such risks to the Company;
3. reviews (with the other committees and Management) other significant risks and exposures that exist and assesses the steps Management has taken to minimise such risks to the Company;
4. reviews of the following:
 - the Group's quarterly and annual financial statements and related footnotes, and the integrity of financial reporting of the Group 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 auditor;
 - any related significant findings and recommendations of the external auditor together with Management's responses thereto; and
 - any significant changes required in the external auditor's 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;
5. considers and reviews with Management annually the effectiveness of the Company's internal controls over management, business and technology systems and practices;
6. 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;
7. meets with external auditor, other committees, and Management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC; and
8. reports actions and minutes of the AC to the Board of Directors with such recommendations as the AC considers appropriate.

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.

For the financial year ended 31 December 2010, the AC met once with the external auditor without the presence of the management.

REPORT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

BOARD COMMITTEES (CONTINUED)

Audit Committee ("AC") (continued)

Principle 11: Audit Committee

Principle 12: Internal Controls (continued)

The AC has conducted an annual review of all non-audit services provided by the external auditor in respect of financial year ended 31 December 2010 and is satisfied that the nature and extent of such services do not affect the independence of the external auditor. Accordingly, it has recommended the re-appointment of PricewaterhouseCoopers LLP as external auditor of the Company at the forthcoming Annual General Meeting.

The Company's external auditor, PricewaterhouseCoopers LLP, carried out, in the course of their statutory audit, a review of the Company's material internal controls to the extent required to express an opinion on the Group's financial statements. 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.

The Company has in place a 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 Audit

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

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 has been carried out 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

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

REPORT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

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)

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 2010 is provided as follows:

	PROFIT SHARING	REMUNERATION	DIRECTOR'S FEE
	%	%	%
\$250,000 to \$499,999			
- Ngiam Mia Je Patrick	14	86	-
- Ngiam Mia Kiat Benjamin	16	84	-
- Lauw Hui Kian	13	87	-
- Ngiam Mia Hai Bernard	13	87	-
- Ngiam Mia Hong Alfred	13	87	-
Less than \$250,000			
- Lee Soo Hoon Phillip	-	-	100
- Lee Joo Hai	-	-	100
- Seah Seow Kang Steven	-	-	100
- Li Ling Xiu	-	-	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 2010.

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.

REPORT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

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:

NAME	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	4	4	-	-	-	-	1	1
Ngiam Mia Kiat Benjamin	4	4	-	-	-	-	-	-
Lauw Hui Kian	4	4	-	-	-	-	-	-
Ngiam Mia Hai Bernard	4	4	-	-	-	-	-	-
Ngiam Mia Hong Alfred	4	4	-	-	-	-	-	-
Lee Soo Hoon Phillip	4	4	4	4	1	1	1	1
Lee Joo Hai	4	4	4	4	1	1	1	1
Seah Seow Kang Steven	4	4	4	4	1	1	1	1
Li Ling Xiu	4	3	-	-	-	-	1	1

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 is 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.

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.

Communication with Shareholders

Principle 10: Accountability

Principle 14: Communication with Shareholders

Principle 15: Greater Shareholder Participation

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 two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year or one month before the announcement of the Company's results for the financial year 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. In addition, the Directors, key officers and employees of the Group are discouraged from dealing in the company's securities on short-term considerations. This is in line with Rule 1207(18) of the Listing Manual of the SGX-ST on Dealings in Securities.

REPORT OF CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

BOARD COMMITTEES (CONTINUED)

Communication with Shareholders (continued)

Principle 10: Accountability

Principle 14: Communication with Shareholders

Principle 15: Greater Shareholder Participation (continued)

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 2010.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2010 and the statement of financial position of the Company as at 31 December 2010.

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 Phillip
Mr Seah Seow Kang Steven
Ms Li Ling Xiu

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 18 and 19 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 31.12.2010	AT 01.01.2010	AT 31.12.2010	AT 01.01.2010
IPC Corporation Ltd				
<i>(Number of ordinary shares)</i>				
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 18 and 19 of this report:

	NUMBER OF UNISSUED ORDINARY SHARES UNDER OPTION	
	AT 31.12.2010	AT 01.01.2010
Options granted to subscribe for ordinary shares - IPC Corporation Ltd		
Ngiam Mia Hai Bernard	75,000	75,000
Ngiam Mia Hong Alfred	75,000	75,000

- (c) The directors' interests in the ordinary shares and convertible securities of the Company as at 21 January 2011 were the same as those as at 31 December 2010.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

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 Phillip 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:

	NUMBER OF UNISSUED ORDINARY SHARES UNDER OPTION AT 31.12.2010	EXERCISE PRICE	EXERCISE PERIOD
2001 Options	150,000	\$0.228	15.10.2002 - 14.10.2011
2002 Options	<u>975,000</u>	\$0.272	11.03.2004 - 10.03.2012
	<u>1,125,000</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.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

SHARE OPTIONS (CONTINUED)

(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:

NUMBER OF UNISSUED ORDINARY SHARES OF THE COMPANY UNDER OPTION					
	GRANTED IN FINANCIAL YEAR ENDED 31.12.2010	AGGREGATE GRANTED SINCE COMMENCEMENT OF SCHEME TO 31.12.2010	AGGREGATE EXERCISED/ LAPSED SINCE COMMENCEMENT OF SCHEME TO 31.12.2010	OPTIONS REDUCED SUBSEQUENT TO CAPITAL RESTRUCTURING EXERCISE ON 16 FEBRUARY 2005	AGGREGATE OUTSTANDING AS AT 31.12.2010
Name of director					
Ngiam Mia Hai Bernard	-	1,500,000	(975,000)	(450,000)	75,000
Ngiam Mia Hong Alfred	-	1,500,000	(975,000)	(450,000)	75,000
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	(37,000)	(765,000)	250,000
Choo Bee Tin	-	1,044,000	(35,750)	(758,250)	250,000
Anebarassane Thanakodi	-	1,000,000	-	(750,000)	250,000

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

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 Singapore Companies Act, Cap. 50. In performing those functions, the AC reviewed:

- the scope of internal audit procedures with the internal auditor;
- the audit plan of the Company's independent auditor and any recommendations on internal controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor; and
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2010 before their submission to the Board of Directors, as well as the independent auditor's report on the statement of financial position of the Company and the consolidated financial statements of the Group.

The AC has recommended to the Board that the independent auditor, PricewaterhouseCoopers LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

INDEPENDENT AUDITOR

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

On behalf of the directors



Ngiam Mia Je Patrick
Chairman



Ngiam Mia Kiat Benjamin
Director

14 February 2011

STATEMENT BY DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 23 to 69 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 2010 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

14 February 2011

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of IPC Corporation Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 23 to 69, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and statements of financial position and to maintain accountability of assets.

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 about 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 judgment, 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 controls relevant to the entity's preparation of financial statements that give a true and fair view 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 controls. 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, the consolidated financial statements of the Group and the statement of financial position of the Company 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 Group and of the Company as at 31 December 2010, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, 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 auditors, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP

Public Accountants and Certified Public Accountants

Singapore, 14 February 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	NOTE	2010 \$'000	2009 \$'000
Sales	4	23,143	20,029
Cost of sales		(17,764)	(16,445)
Gross profit		5,379	3,584
Other income	7	5,241	1,115
Other gains/(losses)– net	8	6,545	(1,322)
Expenses			
- Distribution and marketing		(2,500)	(544)
- Administrative		(6,822)	(4,932)
- Finance		(1,062)	(44)
- Other		(113)	(4)
		(10,497)	(5,524)
Profit/(loss) before income tax		6,668	(2,147)
Income tax expense	9	(1,486)	(562)
Total profit/(loss)		5,182	(2,709)
Other comprehensive income/(loss), net of tax			
Financial assets, available-for-sale			
- Fair value gain		758	150
- Disposal		-	(269)
Currency translation differences arising from consolidation		(516)	(394)
Other comprehensive income/(loss), net of tax		242	(513)
Total comprehensive income/(loss)		5,424	(3,222)
Profit/(loss) attributable to:			
Equity holders of the Company		4,824	(2,709)
Non-controlling interests		358	-
		5,182	(2,709)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		5,066	(3,222)
Non-controlling interests		358	-
		5,424	(3,222)
Earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company	10		
(cents per share)			
- Basic		0.91	(0.51)
- Diluted		0.91	(0.51)

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

			GROUP		COMPANY
	NOTE	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	11	68,717	55,395	46,363	48,365
Trade and other receivables	12	4,986	12,499	106	4,711
Tax recoverable		605	1,171	-	565
Properties held for sale	13	5,638	7,181	-	-
Properties developed for sale	14	19,356	15,332	-	-
Properties under development	15	50,118	37,583	-	-
Non-current asset held-for-sale	16	2,440	2,573	-	-
		151,860	131,734	46,469	53,641
Non-current assets					
Financial assets, available-for-sale	17	8,867	4,380	169	386
Other receivables	18	-	-	63,900	72,705
Prepayment		392	-	-	-
Other asset	19	168	160	-	-
Investments in associated companies	20	-	-	-	-
Investment properties	21	42,924	-	-	-
Investments in subsidiaries	22	-	-	59,850	33,499
Prepaid leasehold properties	23	6,073	6,516	-	-
Land held for development	24	6,515	6,515	6,515	6,515
Property, plant and equipment	25	6,973	7,751	23	73
Deferred income tax assets		7	-	-	-
		71,919	25,322	130,457	113,178
Total assets		223,779	157,056	176,926	166,819
LIABILITIES					
Current liabilities					
Trade and other payables	26	13,597	7,018	687	582
Current income tax liabilities		501	1,452	-	36
Borrowings	27	37,429	8,646	24,973	8,646
		51,527	17,116	25,660	9,264
Non-current liabilities					
Borrowings	27	22,553	-	-	-
Deferred income tax liabilities	28	1,254	-	-	-
		23,807	-	-	-
Total liabilities		75,334	17,116	25,660	9,264
NET ASSETS		148,445	139,940	151,266	157,555
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	29	140,038	140,038	140,038	140,038
Currency translation reserve	30	(6,288)	(5,772)	-	-
Fair value reserve	30	908	150	(146)	71
Retained earnings	31	9,026	5,524	11,374	17,446
		143,684	139,940	151,266	157,555
Non-controlling interests		4,761	-	-	-
Total equity		148,445	139,940	151,266	157,555

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY								
	NOTE	SHARE CAPITAL \$'000	CURRENCY TRANSLATION RESERVE \$'000	FAIR VALUE RESERVE \$'000	RETAINED EARNINGS \$'000	TOTAL \$'000	NON- CONTROLLING INTERESTS \$'000	TOTAL EQUITY \$'000
2010								
Beginning of financial year		140,038	(5,772)	150	5,524	139,940	-	139,940
Total comprehensive (loss)/income for the year		-	(516)	758	4,824	5,066	358	5,424
Incorporation of a special purpose entity and investment by non-controlling interests		-	-	-	-	-	4,403	4,403
Dividends paid relating to 2009	32	-	-	-	(1,322)	(1,322)	-	(1,322)
End of financial year		140,038	(6,288)	908	9,026	143,684	4,761	148,445
2009								
Beginning of financial year		140,038	(5,378)	269	9,555	144,484	-	144,484
Total comprehensive loss for the year		-	(394)	(119)	(2,709)	(3,222)	-	(3,222)
Dividends paid relating to 2008	32	-	-	-	(1,322)	(1,322)	-	(1,322)
End of financial year		140,038	(5,772)	150	5,524	139,940	-	139,940

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	NOTE	2010 \$'000	2009 \$'000
Cash flows from operating activities			
Total profit / (loss)		5,182	(2,709)
Adjustments for			
- Income tax expense		1,486	562
- Depreciation		406	520
- Amortisation of prepaid leasehold properties		109	115
- Unrealised currency translation losses		2,242	1,546
- Gain on disposal of investment in associated company		(599)	-
- Gain on disposal of financial assets, available-for-sale		(4,415)	(393)
- Gain on asset revaluation		(5,028)	-
- Reversal of impairment of other asset, net		(8)	(35)
- Loss on disposal of property, plant and equipment		8	13
- Interest income		(145)	(303)
- Interest expense		1,062	28
- Dividend income		-	(31)
		300	(687)
Change in working capital			
- Properties		(15,016)	(1,958)
- Trade and other receivables		6,724	(5,277)
- Trade and other payables		5,516	(1,191)
- Bank deposit (pledged)		(16,210)	(14,000)
Cash used in operations		(18,686)	(23,113)
Interest received		145	394
Interest paid		(893)	(28)
Income tax refund/(paid), net		356	(453)
Net cash used in operating activities		(19,078)	(23,200)
Cash flows from investing activities			
Purchases of property, plant and equipment		(40)	(49)
Purchases of investment properties		(37,896)	-
Purchases of financial assets, available-for sale		(6,352)	-
Proceeds from disposal of investment in associated company		998	-
Proceeds from disposal of financial assets, available-for-sale		6,615	935
Proceeds from disposal of property, plant and equipment		7	4
Dividends received		-	31
Repayment from a non-related party		-	1,490
Net cash (used in)/provided by investing activities		(36,668)	2,411
Cash flows from financing activities			
Proceeds from borrowings		61,597	8,700
Repayment of borrowings		(10,757)	(179)
Proceeds from investment by non-controlling interests		4,296	-
Dividends paid to equity holders of the Company		(1,322)	(1,322)
Net cash provided by financing activities		53,814	7,199
Net decrease in cash and cash equivalents		(1,932)	(13,590)
Cash and cash equivalents at beginning of financial year	11	41,395	56,237
Effects of currency translation on cash and cash equivalents		(956)	(1,252)
Cash and cash equivalents at end of financial year	11	38,507	41,395

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

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 and property development.

The principal activities of its subsidiary companies are investment holding, property investment and property development, investing and reselling properties, property consulting and sale and distribution of telecommunication products.

As at 31 December 2010, the Company invested into the following Japanese Tokumei Kumiai arrangements (“TK Arrangements”) as a Tokumei Kumiai investor (“TK investor”) with Japanese limited liability companies known as Tokumei Kumiai operators (“TK operators”):

i) TK Arrangement with Palladio LLC (Japan)

In 2009, the Company entered into a TK Arrangement with a Japanese TK operator, being Palladio LLC. Under the TK agreement, the net income of the TK business, comprising principally the income generated from the property trading business, will be passed up to the Company.

During the financial year, under an existing TK arrangement, the Company further invested into 2 projects:

1) Tsuchiura project

The Company is entitled to 97.0% of the profits and losses of such business while the shareholders of the TK operator is entitled to the remaining 3.0% of the allocated profits and losses. As at 31 December 2010, the TK operator has returned 97.0% of the investment to the Company.

2) Uraga project

The Company is entitled to 97.0% of the profits and losses of such business (of which 25.4% would be distributed to an independent 3rd party as co-investor) while the shareholders of the TK operator is entitled to the remaining 3.0% of the allocated profits and losses. As such, the effective beneficial interest of the Company and non-controlling interest are 75.3% and 24.7% respectively.

ii) TK Arrangement with Palladio Hospitality LLC (Japan)

During the financial year, the Company entered into a TK Arrangement with a Japanese TK operator, being Palladio Hospitality LLC to invest in hospitality assets.

The Company is entitled to 97.0% of the profits and losses of such business (of which 8.26% would be distributed to an independent 3rd party as a co-investor) while the shareholders of the TK operator is entitled to the remaining 3.0% of the allocated profits and losses. As such, the effective beneficial interest of the Company and aggregated non-controlling interests are 88.99% and 11.01% respectively.

iii) TK Arrangement with Palladio Hospitality One LLC (Japan)

During the financial year, the Company entered into a TK Arrangement with a Japanese TK operator, being Palladio Hospitality One LLC to invest in hospitality assets.

The Company is entitled to 98.5% of the profits and losses of such business (of which 8.0% would be distributed to an independent 3rd party as a co-investor) while the shareholders of the TK operator are entitled to the remaining 1.5% of the allocated profits and losses. As such, the effective beneficial interest of the Company and aggregated non-controlling interests are 90.62% and 9.38% respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

1. GENERAL INFORMATION (CONTINUED)

The Directors have assessed the economic reality of the Company and its business activities through the above TK operators and concluded that as the Company primarily bears the risks and enjoys the benefits under the TK agreements, the TK operators are considered special purpose entities. The consolidated financial statements of the Group are presented on a group basis by consolidating the TK operators as special purpose entities.

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 3.

Interpretations and amendments to published standards effective in 2010

On 1 January 2010, 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 adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years except as disclosed below:

INT FRS 115 – Agreements for the Construction of Real Estate (effective for annual periods beginning on or after 1 January 2011, early application permitted)

The Group early adopted INT FRS 115 Agreements for the Construction of Real Estate which states that revenue derived from properties outside of Singapore is to be recognised upon completion/delivery to buyers. Previously, the Group recognised revenue for such properties using the percentage-of-completion method.

The adoption of INT FRS 115 has no impact to the Group's financial statements for the financial year.

2.2 Revenue recognition

Sales comprise 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. Sales are 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 the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue recognition (continued)

(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.

(b) *Sale of development properties*

Revenue from sale of development properties is recognised upon completion of the development as disclosed in Note 2.1.

(c) *Rendering of services*

Revenue from rendering of services is recognised when the services are rendered.

(d) *Interest income*

Interest income is recognised using the effective interest method.

(e) *Dividend income*

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

(f) *Rental income*

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

(g) *Membership fee*

Membership fee is recognised on a straight-line basis over the membership term.

2.3 Group accounting

(a) *Subsidiaries*

(i) *Consolidation*

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, 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. 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.

The Group identified the TK operators established in Japan as special purpose entities as defined in Interpretation of Financial Reporting Standards 12 Consolidation – Special Purpose Entities (“INT FRS 12”). TK operators are principally engaged in property-related businesses. Under the TK agreements, the Group primarily bears the risk and enjoys the benefits of the activities of TK operators and, accordingly, consolidates their financial statements for reporting purpose.

ATK operator is consolidated from the date on which the relationship of the special purpose entity defined under INT FRS 12 is established between the Group and the TK operator. It is de-consolidated from the date that such relationship 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (continued)

(a) Subsidiaries (continued)

(i) Consolidation (continued)

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

(iii) Disposals of subsidiaries or businesses

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

(b) Transactions with non-controlling interests

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (continued)

(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 above but not exceeding 50% of the voting right. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

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 profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. 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. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Investments in associated companies are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in profit or loss.

The accounting policy on investments in subsidiaries and associated companies in the separate financial statements of the Company is as included in Note 2.11.

2.4 Property, plant and equipment

(a) Measurement

(i) Leasehold buildings

Leasehold buildings are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(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. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (Note 2.8).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment (continued)

(b) Depreciation

Depreciation 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 - 10 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at end of each reporting period. The effects of any revision are recognised in profit or loss 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 profit or loss 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 profit or loss.

2.5 Land held for development

Land held for development includes 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

(a) Properties under development

Development properties are stated at cost, less foreseeable losses. An allowance is made where the estimated net realisable value of the 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 is completed, these properties are transferred and accounted for as properties developed for sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Development properties (continued)

(b) 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 selling expenses.

2.7 Properties held for sale

Properties held 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 selling expenses.

2.8 Borrowing costs

Borrowing costs are recognised in profit or loss 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.

2.9 Prepaid leasehold properties

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

2.10 Investments properties

Investment properties comprise of acquired business hotels that are held for long-term rental yields and/or for capital appreciation.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest-and-best-use basis. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.11 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries and associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.12 Impairment of non-financial assets

Property, plant and equipment
Land held for development
Investments in subsidiaries and associated companies

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Impairment of non-financial assets (continued)

Property, plant and equipment, land held for development 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 profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

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 profit or loss, 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 as an expense, a reversal of that impairment is also credited to profit or loss.

2.13 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 end of reporting period which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the statement of financial position.

(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 end of reporting period.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial assets (continued)

(b) Recognition and derecognition (continued)

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 profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

(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. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on financial assets, available-for-sale are recognised separately in profit or loss. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences, if any, are recognised in profit or loss and the other changes are recognised in the fair value reserve. 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 the end of each reporting period 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 profit or loss.

The allowance for impairment loss account is reduced through profit or loss 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

In addition to the objective evidence of impairment described in Note 2.13(e)(i), significant or prolonged decline in the fair value of an equity security below its cost and the disappearance of an active trading market for the security are objective evidence that the available-for-sale financial asset is impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Financial assets (continued)

(e) Impairment (continued)

(ii) Financial assets, available-for-sale (continued)

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is transferred to profit or loss. 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 as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

2.14 Borrowings

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

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 profit or loss over the period of the borrowings using the effective interest method.

2.15 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.

2.16 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 end of the reporting period. 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 the end of each reporting period. Where appropriate quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analyses, are also used to determine the fair values of the financial instruments.

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

2.17 Operating lease

(a) When the Group is the lessee

The Group leases office spaces under operating leases from non-related parties.

Leases of office space where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Operating lease (continued)

(b) When the Group is the lessor

The Group leases commercial properties and investment properties under operating leases to non-related parties.

Leases of commercial properties and investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

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 end of the reporting period.

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 recognised on temporary differences arising on investments in subsidiaries and 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 probable 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.

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 end of the reporting period; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the end of each reporting period 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 profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss 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 profit or loss.

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 end of the reporting period.

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, which is the functional currency of the Company.

(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 end of the reporting period are recognised in profit or loss, 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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Currency translation (continued)

(b) Transactions and balances (continued)

transferred to profit or loss 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 end of the reporting period;
- (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

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM") whose members are responsible for allocating resources and assessing performance of the operating segments.

2.23 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions less restricted cash which are subject to an insignificant risk of change in value.

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.

2.25 Dividends to Company's shareholders

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

2.26 Non-current assets (or disposal groups) held-for-sale

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 as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.27 Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with the attached conditions. Government grants relating to expenses are offset against the related expenses.

Government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

3. 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.

(a) Impairment and fair valuation 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 at least annually. This determination requires significant judgement.

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 considered objective evidence that a financial asset is impaired. In determining this, management 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 flows. The management concluded that no impairment was required as at 31 December 2010.

Financial assets, available for sale comprised of quoted and unquoted shares. In determining the fair value of the unquoted financial assets, available for sale, the Group obtained valuations from independent valuers. The independent valuers used recent market transactions as a basis. Based on the valuations, a fair value gain of \$758,000 was recognised in other comprehensive income.

Refer to Note 35(a)(iii) for the sensitivity analysis of price risk of financial assets, available-for-sale.

(b) Estimated impairment of non-financial assets

Leasehold buildings and non-current asset held for sale amounting to \$9,123,000 were subject to impairment tests at the end of the financial year ended 31 December 2010. The recoverable amounts of these assets have been determined based on fair value less costs to sell calculations using valuations performed by an independent valuer. The independent valuer used recent market transactions as a basis. Based on the valuations, the management concluded that no impairment was required as at 31 December 2010.

(c) Estimated net realisable value of properties under development and properties developed for sale

Properties under development and properties developed for sale amounting to \$69,474,000 were subject to net realisable value test at the end of the financial year ended 31 December 2010. The net realisable values of these assets have been determined based on valuation performed by an independent valuer. The independent valuer used the direct comparison method which involves the comparison of recently transacted sales of similar properties. Based on the valuations, the management concluded that no write-down was required as at 31 December 2010.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(d) Estimated net realisable value of properties held for sale

Properties held for sale amounting to \$5,638,000 were subject to net realisable value test at the end of the financial year ended 31 December 2010. The net realisable values of these assets have been determined based on valuation performed by an independent valuer. The independent valuer used the direct comparison method which involves the comparison of recently transacted sales of similar properties. Based on the valuations, the management concluded that no write-down was required as at 31 December 2010.

(e) Uncertain tax positions

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction. There are many transactions and calculations for which the ultimate tax determination is uncertain during the course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(f) Valuation of investment properties

Investment properties are stated at fair value based on valuations performed by independent professional valuers. In determining the fair value, the valuers have used valuation methods which involve certain estimates. The fair values are determined using the Income Approach, which includes the direct capitalisation method and discounted cash flow method. This approach involves the estimation of income and expenses, taking into account expected future changes in economic and social conditions, which may affect the value of the properties. The management is of the view that the valuation methods and estimates are reflective of the current market condition. The carrying amount of investment properties is disclosed in Note 21.

4. REVENUE

	GROUP	
	2010	2009
	\$'000	\$'000
Sale of development properties	2,952	5,730
Sale of properties held for sale	19,145	10,113
Rendering of services	31	4,186
Rental income (Note 21)	1,015	-
Total sales	23,143	20,029

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

5. EXPENSES BY NATURE

	GROUP	
	2010	2009
	\$'000	\$'000
Purchases of properties held for sale	19,946	15,958
Depreciation of property, plant and equipment (Note 25)	406	520
Amortisation of prepaid leasehold property (Note 23)	109	115
Rental expense on operating lease	331	307
Advertising	2,065	60
Professional fees	1,165	341
Employee compensation (Note 6)	2,546	2,253
Property and miscellaneous taxes	396	135
Transportation	338	347
Interest expense	1,062	28
Maintenance	280	37
Insurance	149	83
Changes in properties held for sale and properties developed for sale	(2,481)	(375)

6. EMPLOYEE COMPENSATION

	GROUP	
	2010	2009
	\$'000	\$'000
Wages and salaries	2,471	2,190
Employer's contribution to defined contribution plans including Central Provident Fund	82	99
Less: Government grant - Jobs Credit Scheme	(7)	(36)
	2,546	2,253

The Jobs Credit Scheme is a cash grant introduced in the Singapore Budget 2009 to help businesses preserve jobs in the economic downturn. The amount an employer can receive would depend on the fulfilment of the conditions as stated in the scheme.

7. OTHER INCOME

	GROUP	
	2010	2009
	\$'000	\$'000
Interest income	145	303
Dividend income	-	31
Rental income (on operating leases)	283	199
Write-back of over statutory bar creditors	4,570	-
Other	243	582
	5,241	1,115

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

8. OTHER GAINS/(LOSSES) - NET

	GROUP	
	2010	2009
	\$'000	\$'000
Gain on revaluation of investment properties (Note 21)	5,028	-
Gain on disposal of investment in associated company	599	-
Gain on disposal of financial assets, available-for-sale	4,415	393
Currency translation loss, net	(3,497)	(1,737)
Loss on disposal of property, plant and equipment	(8)	(13)
Reversal of impairment of other asset (Note 19)	8	35
	6,545	(1,322)

9. INCOME TAXES

	GROUP	
	2010	2009
	\$'000	\$'000
Tax expense attributable to profit/(loss) is made up of:		
Profit/(loss) from current financial year:		
Current income tax		
- Foreign	255	562
	255	562
Deferred income tax - Foreign	1,231	-
	1,486	562

The tax on Group's profit/(loss) before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	GROUP	
	2010	2009
	\$'000	\$'000
Profit/(loss) before tax	6,668	(2,147)
Tax calculated at tax rate of 17% (2009: 17%)	1,134	(365)
Effects of		
- different tax rates in other countries	53	(254)
- expenses not deductible for tax purposes	595	991
- income not subject to tax	(1,447)	(102)
- utilisation of previously unrecognised tax losses	-	(291)
- deferred tax assets not recognised	997	68
- other taxes in another country	154	515
Tax charge	1,486	562

The Group has tax losses of \$98.9 million (2009: \$97.0 million) which includes development and expansion tax losses of \$8.3 million (2009: \$8.3 million) and unutilised tax losses of \$90.6 million (2009: \$88.7 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

10. 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.

	TOTAL	
	2010	2009
Profit/(loss) attributable to equity holders of the Company (\$'000)	4,824	(2,709)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	528,614	528,614
Basic earnings/(loss) per share (cents per share)	0.91	(0.51)

(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 net profit/(loss).

There is no dilution to earnings/(loss) per share for the financial years ended 31 December 2010 and 2009 as there were no potential dilutive ordinary shares existing during the respective financial years.

11. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	17,563	14,318	783	9,282
Short-term bank deposits	51,154	41,077	45,580	39,083
	68,717	55,395	46,363	48,365

The exposure of cash and cash equivalents to interest rate risk and currency risk is disclosed in Note 35.

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

	GROUP	
	2010	2009
	\$'000	\$'000
Cash and bank balances	68,717	55,395
Less: Bank deposits pledged	(30,210)	(14,000)
Cash and cash equivalents per consolidated statement of cash flows	38,507	41,395

Bank deposits are pledged in relation to the security granted for some borrowings. (Note 27)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

12. TRADE AND OTHER RECEIVABLES - CURRENT

	GROUP		COMPANY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Trade receivables - Non-related parties	43	9,979	13	3,941
Deposits	250	99	93	98
Prepayments	385	2,333	-	-
Other receivables - Non-related parties	4,308	88	-	672
	4,986	12,499	106	4,711

Other receivables of \$3,769,000 have been recovered on 28 January 2011.

13. PROPERTIES HELD FOR SALE

	GROUP	
	2010 \$'000	2009 \$'000
Properties held for sale	5,638	7,181

The Group's properties held for sale consist of commercial & residential property inventories held by Zhuhai Costa Del Sol Club Management Co. Ltd., a wholly-owned subsidiary of the Company which is incorporated in the People's Republic of China and Palladio Properties LLC, a wholly-owned subsidiary of the Company which is incorporated in the United States of America.

During the current financial year, the Group reclassified its "Properties held for sale" and "Prepayments" (Note 12) relating to land use rights to "Other receivables - non-related parties" due to the inability to secure the change in land use. The related assets are to be recovered from the counterparty per agreement at deal inception.

14. PROPERTIES DEVELOPED FOR SALE

	GROUP	
	2010 \$'000	2009 \$'000
Land cost	8,259	4,888
Development expenditure	11,097	10,444
	19,356	15,332

The Group's properties developed for sale are held by IPC Property Development (Zhuhai) Ltd, a wholly-owned subsidiary of the Company which is incorporated in the People's Republic of China.

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
Xu Ri Wan Hua Yuan Kindergarten (China)	Zhuhai Tang Jia Tang Qi Lu	Commercial	60 years lease term	2,795	100%
Xu Ri Wan Hua Yuan (China)	1 - 3 Zu Tuan Di Xia Che Ku	Residential	70 years lease term	2,670	100%
Xu Ri Wan Hua Yuan (China)	4 - 5 Zu Tuan Di Xia Che Ku	Residential	70 years lease term	2,144	100%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

15. PROPERTIES UNDER DEVELOPMENT

	2010 \$'000	GROUP 2009 \$'000
Properties under development	50,118	37,583

The Group's properties under development comprised of properties held by IPC Property Development (Zhuhai) Ltd, a wholly-owned subsidiary of the Company which is incorporated in the People's Republic of China and Palladio LLC, a special purpose entity which is established in Japan.

Details of the Group's properties under development are as follows:

NAME OF PROPERTY	DESCRIPTION	TYPE OF DEVELOPMENT	TENURE OF PROPERTY	STAGE OF COMPLETION/ EXPECTED DATE OF COMPLETION	SITE AREA SQ.M.	ATTRIBUTABLE INTEREST
Xu Ri Wan Hua Yuan (China)	Zhuhai Tang Jia Tang Qi Lu	Commercial	70 years lease term	Development stage/31 Dec 2011	16,237	100%
Uraga Millennium (Japan)	Condominium project at Uraga	Residential	Freehold	Development stage/28 Feb 2011	3,051	100%

Bank borrowings are secured on a property under development in China with carrying amounts of \$42,977,000. (2009: \$nil) (Note 27)

16. NON-CURRENT ASSET HELD-FOR-SALE

	2010 \$'000	GROUP 2009 \$'000
Non-current asset held for sale	2,440	2,573

Details of the Group's non-current asset held-for-sale:

NAME OF PROPERTY	DESCRIPTION	TYPE OF DEVELOPMENT	TENURE OF PROPERTY	SITE AREA SQ.M.	ATTRIBUTABLE INTEREST
Dong Da Shang Ye Zhong Xin (China)	Zhu Hai Shi Ji Da Jing Shan Lu Yi Hao Yi Ceng	Commercial	50 years lease term	1,062	100%

In 2009, the Group transferred Dong Da Shang Ye Zhong Xin of carrying amount \$2,573,000 from "Property, plant and equipment" (Note 25) to "Non-current asset held-for-sale".

As at the date of this report, the Group continues to actively seek buyers for the property.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

17. FINANCIAL ASSETS, AVAILABLE-FOR-SALE

	GROUP		COMPANY	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Beginning of financial year	4,380	5,128	386	1,128
Currency translation differences	(423)	(86)	-	-
Additions	6,352	-	2,200	-
Fair value gains/(losses) recognised in other comprehensive income	758	150	(217)	(199)
Disposals	(2,200)	(812)	(2,200)	(543)
End of financial year	8,867	4,380	169	386

Financial assets, available-for-sale are analysed as follows:

	GROUP		COMPANY	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Listed securities				
- equity securities - Singapore	739	666	169	386
Unlisted securities				
- debt investments - China	8,128	3,714	-	-
	8,867	4,380	169	386

18. OTHER RECEIVABLES - NON-CURRENT

The loans to subsidiaries amounting to \$57,692,000 (2009: \$67,166,000) are treated as a long-term source of additional capital and financing within the Group. Accordingly, they are managed centrally and deemed to be quasi-equity loans representing the Company's net investments in the subsidiaries. The carrying amount of the remaining loan to subsidiaries amounting to \$6,208,000 (2009: \$5,539,000) approximates to its fair value.

	COMPANY	
	2010	2009
	\$'000	\$'000
Other receivables - Loans to subsidiaries	63,900	72,705

The loans to subsidiaries are unsecured, interest free and are not expected to be repaid in the next twelve months.

19. OTHER ASSET

	GROUP	
	2010	2009
	\$'000	\$'000
Beginning of financial year	160	125
Reversal of impairment (Note 8)	8	35
End of financial year	168	160

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

20. INVESTMENTS IN ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<i>Equity investment at cost</i>				
Beginning of financial year	-	-	3,020	3,020
Disposals	-	-	(2,000)	-
End of financial year	-	-	1,020	3,020
<i>Accumulated impairment losses</i>				
Beginning of financial year	-	-	3,020	3,020
Disposals	-	-	(2,000)	-
End of financial year	-	-	1,020	3,020
Net carrying amounts	-	-	-	-
The summarised financial information of associated companies are as follows:				
- Assets	4	7,018		
- Liabilities	12,622	18,023		
- Revenue	-	6,407		
- Net (loss)/profit	(3)	705		

The Group has not recognised its share of loss of associated companies amounting to \$1,010 (2009: gain of \$281,000) 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/gains. The cumulative unrecognised losses amount to \$7,420,000 (2009: \$9,500,000) at the end of the reporting period.

Details of significant associated companies are provided in Note 40.

21. INVESTMENT PROPERTIES

	GROUP	
	2010 \$'000	2009 \$'000
Beginning of financial year	-	-
Additions	37,200	-
Improvements	696	-
Net fair value gain recognised in profit or loss (Note 8)	5,028	-
End of financial year	42,924	-

Investment properties are carried at fair values at the end of reporting period as determined by independent professional valuers. Valuations are made annually based on the properties' highest-and-best-use using the Income Approach.

Investment properties are leased to non-related parties under operating leases (Note 34b).

Bank borrowings are secured on certain investment properties of the Group with fair value amounts of \$30,505,000 (2009: \$nil) (Note 27).

The following amounts are recognised in profit and loss:

	GROUP	
	2010 \$'000	2009 \$'000
Rental income (Note 4)	1,015	-
Direct operating expenses arising from:		
- Investment properties that generated rental income	410	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

22. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2010 \$'000	2009 \$'000
Beginning of financial year	33,499	31,909
TK arrangements (Notes (a), (b) and (c))	29,325	8,700
Incorporation of subsidiary	-	1,420
Impairment losses (Note (d))	(2,974)	(8,530)
End of financial year	59,850	33,499

Details of significant subsidiaries and special purpose entities are included in Note 40.

- (a) On 30 June 2010, the Company invested \$9,300,000 in Japan hotels by entering into a TK arrangement as a TK Investor in Palladio Hospitality LLC as a TK investor. As the Group primarily bears the risks and enjoys the benefits under the TK arrangement, the TK operator is considered as special purpose entity (Note 1).
- (b) On 25 June 2009, the Company invested \$8,700,000 in Japan real estate by entering into a TK arrangement as a TK investor in Palladio LLC. As the Group primarily bears the risk and enjoys the benefits under TK arrangement, the TK operator is considered as special purpose entity (Note 1).

During the current financial year, the Company further invested \$9,760,000 in Palladio LLC.

- (c) On 21 December 2010, the Company invested \$10,265,000 in another Japan hotel by entering into a TK arrangement as a TK Investor in Palladio Hospitality One LLC as a TK investor. As the Group primarily bears the risks and enjoys the benefits under the TK arrangement, the TK operator is considered as special purpose entity (Note 1).
- (d) During 2010, the TK operator Palladio LLC returned 24% (2009: 97%) of the net investment amounting to \$2,974,000 (2009: \$8,552,000) to the Company. This amount was recognised as dividend income in the Company's profit or loss in accordance with the amendment to FRS 27 Consolidated and separate financial statements ("FRS 27"). As the carrying amount of the TK arrangement in the Company exceeded the carrying amount of the TK operator's net asset, an impairment of \$2,974,000 (2009: \$8,530,000) was recognised.

23. PREPAID LEASEHOLD PROPERTIES

	GROUP	
	2010 \$'000	2009 \$'000
Beginning of financial year	6,516	6,778
Currency translation differences	(334)	(147)
Amortisation recognised in profit or loss (Note 5)	(109)	(115)
End of financial year	6,073	6,516

24. LAND HELD FOR DEVELOPMENT

	GROUP		COMPANY	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Land held for development	6,515	6,515	6,515	6,515

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

24. LAND HELD FOR DEVELOPMENT (CONTINUED)

Details of the Group's land held for development as at 31 December 2010 are as follows:

NAME OF PROPERTY	DESCRIPTION	TYPE OF DEVELOPMENT	TENURE OF PROPERTY	STAGE OF COMPLETION	SITE AREA SQ.M.	ATTRIBUTABLE INTEREST
Ju Ren Da Sha (China)	Xiang Zhou Yin Hua Lu	Office	50 years lease term	Development stage	29,045	24%

25. PROPERTY, PLANT AND EQUIPMENT

	LEASEHOLD BUILDING AND IMPROVEMENTS \$'000	FURNITURE, FIXTURES AND FITTINGS \$'000	MOTOR VEHICLES \$'000	OFFICE EQUIPMENT \$'000	TOTAL \$'000
Group					
2010					
<i>Cost</i>					
Beginning of financial year	8,024	526	779	467	9,796
Currency translation differences	(415)	(10)	(18)	(18)	(461)
Additions	36	-	-	4	40
Disposals	-	(5)	(19)	(2)	(26)
End of financial year	7,645	511	742	451	9,349
<i>Accumulated depreciation</i>					
Beginning of financial year	799	443	517	286	2,045
Currency translation differences	(42)	(7)	(6)	(9)	(64)
Depreciation charge (Note 5)	205	53	85	63	406
Disposals	-	(4)	(6)	(1)	(11)
End of financial year	962	485	590	339	2,376
Net book value					
End of financial year	6,683	26	152	112	6,973
Group					
2009					
<i>Cost</i>					
Beginning of financial year	11,607	532	737	553	13,429
Currency translation differences	(258)	(4)	(7)	(10)	(279)
Additions	-	-	49	-	49
Reclassified to non-current asset held-for-sale (Note 16)	(3,325)	-	-	-	(3,325)
Disposals	-	(2)	-	(76)	(78)
End of financial year	8,024	526	779	467	9,796
<i>Accumulated depreciation</i>					
Beginning of financial year	1,310	391	394	281	2,376
Currency translation differences	(29)	(2)	(2)	(4)	(37)
Depreciation charge (Note 5)	270	55	125	70	520
Reclassified to non-current asset held-for-sale (Note 16)	(752)	-	-	-	(752)
Disposals	-	(1)	-	(61)	(62)
End of financial year	799	443	517	286	2,045
Net book value					
End of financial year	7,225	83	262	181	7,751

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

25. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	FURNITURE, FIXTURES AND FITTINGS \$'000	MOTOR VEHICLES \$'000	OFFICE EQUIPMENT \$'000	TOTAL \$'000
<u>Company</u>				
2010				
<i>Cost</i>				
Beginning and end of financial year	343	224	123	690
<i>Accumulated depreciation</i>				
Beginning of financial year	308	202	107	617
Depreciation charge	20	22	8	50
End of financial year	328	224	115	667
Net book value				
End of financial year	15	-	8	23
<u>Company</u>				
2009				
<i>Cost</i>				
Beginning and end of financial year	343	224	123	690
<i>Accumulated depreciation</i>				
Beginning of financial year	288	157	99	544
Depreciation charge	20	45	8	73
End of financial year	308	202	107	617
Net book value				
End of financial year	35	22	16	73

26. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Trade payables to				
- Non-related parties	144	4,576	-	-
- Associated companies	663	663	-	-
- Subsidiaries	-	-	25	27
	807	5,239	25	27
Deposits	712	22	-	-
Accrued development costs	9,139	-	-	-
Accrued operating expenses	2,939	1,757	662	555
	13,597	7,018	687	582

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

27. BORROWINGS

	GROUP		COMPANY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<i>Current</i>				
- Bank borrowings	37,429	8,646	24,973	8,646
<i>Non-current</i>				
- Bank borrowings	22,553	-	-	-
Total borrowings	59,982	8,646	24,973	8,646

The exposure of the borrowings of the Group and of the Company to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Less than 1 year	36,733	8,646	24,973	8,646
1 – 2 years	-	-	-	-
2 - 5 years	23,249	-	-	-
Over 5 years	-	-	-	-

On 20 January 2011, the Group has fully repaid \$11,760,000 classified under "Current borrowing" as at 31 December 2010.

(a) Security granted

Total borrowings are secured by over certain bank deposits (Note 11), certain properties (Note 15), and investment properties (Note 21).

(b) Fair value of non-current borrowings

	GROUP	
	2010 \$'000	2009 \$'000
Bank borrowings	22,121	-

The fair value above is determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at end of reporting period which the directors expect to be available to the Group as follows:

	GROUP	
	2010	2009
Bank borrowings	3.24%	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

28. DEFERRED INCOME TAXES

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 in the statements of financial position as follows:

	2010	2009
	\$'000	\$'000
Deferred income tax liabilities		
- to be settled after one year	<u>1,254</u>	-

The movement in deferred income tax liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

Group

Deferred income tax liabilities

	REVALUATION GAINS
	\$'000
2010	
Beginning of financial year	-
Charged to	
- profit or loss (Note 9)	(1,231)
Currency translation differences	(23)
End of financial year	<u>(1,254)</u>
2009	
Beginning and end of financial year	<u>-</u>

29. SHARE CAPITAL

	NO. OF ORDINARY SHARES ISSUED SHARE CAPITAL	AMOUNT SHARE CAPITAL
	'000	\$'000
<u>Group and Company</u>		
2010		
Beginning and end of financial year	<u>528,614</u>	<u>140,038</u>
2009		
Beginning and end of financial year	<u>528,614</u>	<u>140,038</u>

All issued shares are fully paid.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

29. SHARE CAPITAL (CONTINUED)

Share options (continued)

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:

	NUMBER OF ORDINARY SHARES UNDER OPTION						
	BEGINNING OF FINANCIAL YEAR	GRANTED DURING FINANCIAL YEAR	LAPSED DURING FINANCIAL YEAR	EXERCISED DURING FINANCIAL YEAR	END OF FINANCIAL YEAR	EXERCISE PRICE	EXERCISE PERIOD
2010							
2001 Options	150,000	-	-	-	150,000	\$0.228	15.01.2002-14.10.2011
2002 Options	975,000	-	-	-	975,000	\$0.272	11.3.2004-10.03.2012
	<u>1,125,000</u>	-	-	-	<u>1,125,000</u>		
2009							
1999 Options	174,250	-	(174,250)	-	-	\$1.172	12.11.2000-11.11.2009
2001 Options	150,000	-	-	-	150,000	\$0.228	15.01.2002-14.10.2011
2002 Options	975,000	-	-	-	975,000	\$0.272	11.3.2004-10.03.2012
	<u>1,299,250</u>	-	(174,250)	-	<u>1,125,000</u>		

All the outstanding options for 1,125,000 (2009: 1,125,000) shares are exercisable at the end of the reporting period.

30. CURRENCY TRANSLATION RESERVE AND FAIR VALUE RESERVE

	GROUP	
	2010	2009
	\$'000	\$'000
<i>Currency translation reserve</i>		
Beginning of financial year	(5,772)	(5,378)
Net currency translation difference of financial statements of foreign subsidiaries	(516)	(394)
End of financial year	<u>(6,288)</u>	<u>(5,772)</u>
<i>Fair value reserve</i>		
Beginning of financial year	150	269
Fair value gains on financial assets, available-for-sale (Note 17)	758	150
Reclassification on disposal of financial assets, available-for-sale	-	(269)
End of financial year	<u>908</u>	<u>150</u>

31. RETAINED EARNINGS

All retained earnings of the Group and the Company are distributable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

32. DIVIDENDS

GROUP AND COMPANY

	2010 \$'000	2009 \$'000
<i>Ordinary dividends paid</i>		
Final tax exempt (one-tier) dividend paid in respect of the previous financial year of 0.25 cents (2009: 0.25 cents) per share	1,322	1,322

At the forthcoming Annual General Meeting, a final tax 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 profits in the financial year ending 31 December 2011.

33. CONTINGENCIES

Contingent liabilities

Group

IPC Property Development (Zhuhai) 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 by 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 after 1 January 2005. For mortgage loans entered before 1 January 2005, the guarantees will be released upon the settlement of mortgaged loans between the banks and buyers.

	2010 \$'000	2009 \$'000
Guarantee given to banks for mortgage facilities granted to IPC Zhuhai's properties	1,705	1,892

34. COMMITMENTS

(a) 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 end of the reporting period but not recognised as liabilities, are as follows:

	2010 \$'000	2009 \$'000
Not later than one year	250	234
Between one and five years	250	467
	500	701

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

34. COMMITMENTS (CONTINUED)

(b) Operating lease commitments – where the Group is a lessor

The Group leases out business hotels, an office building and kindergarten to non-related parties under non-cancellable operating leases. The lessees are required to either pay a fixed monthly amount over the lease period, or contingent rent in addition to fixed monthly amount based on profits achieved during the lease period.

The future minimum lease receivables under non-cancellable operating leases contracted for at the end of reporting period but not recognised as receivables, are as follows:

	GROUP	
	2010	2009
	\$'000	\$'000
Not later than one year	2,938	118
Between one and five years	12,007	592
Later than five years	14,955	785
	29,900	1,495

35. 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.

(a) Market risk

(i) *Currency risk*

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

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 JPY, 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 Japan, the People's Republic of China and United States of America are managed primarily by JPY, RMB, Hong Kong Dollar ("HKD") and USD operating cash flows, respectively, which mitigate currency exposure arising from the subsidiaries' net assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

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

	SGD \$'000	USD \$'000	JPY \$'000	RMB \$'000	HKD \$'000	TOTAL \$'000
<u>At 31 December 2010</u>						
Financial assets						
Cash and cash equivalents and financial assets, available-for-sale	24,133	28,061	4,210	20,677	503	77,584
Trade and other receivables	155	-	648	3,798	-	4,601
	24,288	28,061	4,858	24,475	503	82,185
Financial liabilities						
Borrowings	-	-	44,302	15,680	-	59,982
Trade and other payables	1,507	-	11,278	812	-	13,597
	1,507	-	55,580	16,492	-	73,579
Net financial assets/(liabilities)	22,781	28,061	(50,722)	7,983	503	8,606
Less: Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(22,781)	(110)	25,752	(7,983)	-	(5,122)
Currency exposure	-	27,951	(24,970)	-	503	3,484
<u>At 31 December 2009</u>						
Financial assets						
Cash and cash equivalents and financial assets, available-for-sale	26,741	16,735	9,626	6,122	551	59,775
Trade and other receivables	197	5	-	9,964	-	10,166
	26,938	16,740	9,626	16,086	551	69,941
Financial liabilities						
Borrowing	-	-	(8,646)	-	-	(8,646)
Trade and other payables	(5,813)	(10)	(85)	(983)	(127)	(7,018)
	(5,813)	(10)	(8,731)	(983)	(127)	(15,664)
Net financial assets	21,125	16,730	895	15,103	424	54,277
Less: Net financial assets denominated in the respective entities' functional currencies	(21,125)	(1,562)	(1,010)	(11,175)	-	(34,872)
Currency exposure	-	15,168	(115)	3,928	424	19,405

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

35. 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	JPY \$'000	RMB \$'000	HKD \$'000	TOTAL \$'000
<u>At 31 December 2010</u>						
Financial assets						
Cash and cash equivalents and financial assets, available-for-sale	22,588	23,440	3	-	501	46,532
Trade and other receivables	106	6,209	11	57,680	-	64,006
	22,694	29,649	14	57,680	501	110,538
Financial liabilities						
Borrowings	-	-	24,973	-	-	24,973
Trade and other payables	687	-	-	-	-	687
	687	-	24,973	-	-	25,660
Net financial assets/(liabilities)	22,007	29,649	(24,959)	57,680	501	84,878
Less: Net financial assets denominated in the respective entities' functional currencies	(22,007)	-	-	-	-	(22,007)
Currency exposure	-	29,649	(24,959)	57,680	501	62,871
<u>At 31 December 2009</u>						
Financial assets						
Cash and cash equivalents and financial assets, available-for-sale	25,470	14,180	8,552	-	549	48,751
Trade and other receivables	112	5,616	595	71,093	-	77,416
	25,582	19,796	9,147	71,093	549	126,167
Financial liabilities						
Borrowing	-	-	(8,646)	-	-	(8,646)
Trade and other payables	(582)	-	-	-	-	(582)
	(582)	-	(8,646)	-	-	(9,228)
Net financial assets	25,000	19,796	501	71,093	549	116,939
Less: Net financial assets denominated in the respective entities' functional currencies	(25,000)	-	-	-	-	(25,000)
Currency exposure	-	19,796	501	71,093	549	91,939

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD, RMB, JPY and HKD strengthen against the SGD by 6% (2009: 4%), 5% (2009: 4%), 1% (2009: 3%) and 6% (2009: 3%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial asset/(liability) position will be as follows:

	2010		2009	
	INCREASE/(DECREASE)		INCREASE/(DECREASE)	
	PROFIT AFTER TAX \$'000	OTHER COMPREHENSIVE INCOME \$'000	LOSS AFTER TAX \$'000	OTHER COMPREHENSIVE INCOME \$'000
<u>GROUP</u>				
USD against SGD	1,677	(7)	(607)	62
RMB against SGD	-	(399)	(157)	447
JPY against SGD	(250)	258	3	30
HKD against SGD	30	-	(13)	-
<u>COMPANY</u>				
USD against SGD	1,779	-	(792)	-
RMB against SGD	2,884	-	(2,844)	-
JPY against SGD	(250)	-	(15)	-
HKD against SGD	30	-	(16)	-

The weakening of USD, RMB, JPY and HKD against the SGD by 6% (2009: 4%), 5% (2009: 4%), 1% (2009: 3%) and 6% (2009: 3%) 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 and equity investment price risks arising from the investments held by the Group which are classified in the consolidated statement of financial position as financial assets, available-for-sale. These financial assets 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Price risk (continued)

If prices for listed equity securities and fair value of unlisted equity and debt investments change by 5% (2009: 80%) and 5% (2009: 10%) respectively with all other variables including tax rate being held constant, the profit after tax and equity will be:

	2010			2009	
	INCREASE/(DECREASE)			INCREASE/(DECREASE)	
	PROFIT AFTER TAX \$'000	OTHER COMPREHENSIVE INCOME \$'000	LOSS AFTER TAX \$'000	OTHER COMPREHENSIVE INCOME \$'000	
Increased by					
<u>GROUP</u>					
Listed in Singapore	-	37	-		533
Unlisted in China	-	406	-		371
 <u>COMPANY</u>					
Listed in Singapore	-	8	-		308

A 5% weakening on the price of the listed equity securities would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant. This assumes that the decrease does not give rise to an impairment.

A 5% weakening on the fair value of the unlisted equity and debt investments would have had the equal but opposite effect to the amounts shown above, on the basis that all variables remain constant. This assumes that the decrease does not give rise to an impairment.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group's borrowings are substantially fixed interest bearing, the Group's exposure to changes in interest rates is mainly attributable to its fixed deposits.

The Group's fixed deposits at variable rates on which effective hedges have not been entered into are denominated in SGD, USD and RMB. At 31 December 2010, if SGD, USD and RMB interest rate has increased/decreased by 0.5% (2009: 1%), 0.5% (2009: 1%) and 0.5% (2009: 1%) respectively with all other variables including tax rate being held constant, the profit/(loss) after tax for the year would have been lower/higher by \$116,000 (2009: \$259,000), \$140,000 (2009: \$150,000) and \$1,000 (2009: \$1,000) respectively.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

The trade and other receivables of the Group mainly comprise 1 debtor (2009: 3 debtors) that represented 82% (2009: 78%) of trade and other receivables. The Company does not have significant concentration of debtors in 2010 (2009: 1 debtor).

Financial assets, available-for-sale of the Group mainly comprises of 2 counterparties (2009: 1) that represented 92% (2009: 85%) of financial assets, available-for-sale.

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 statement of financial position.

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

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

	GROUP		COMPANY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<u>By geographical areas</u>				
Asia Pacific	4,601	10,162	106	4,711
Americas	-	4	-	-
	4,601	10,166	106	4,711
<u>By types of customers</u>				
Non-related parties				
- Other companies	4,573	9,421	106	4,711
- Individuals	28	745	-	-
	4,601	10,166	106	4,711

(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 and other 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 and other receivables.

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

	GROUP		COMPANY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Past due < 3 months	-	328	-	-
Past due 3 to 6 months	3,770	377	-	-
Past due over 6 months	77	5,383	-	-
	3,847	6,088	-	-

Please refer to Note 12 on recovery of above aged trade and other receivables post financial year end.

There are no trade and other receivables individually determined to be impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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. At the end of the reporting period, assets held by the Group and the Company for managing liquidity risk included cash and fixed deposits as disclosed in Note 11.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the end of reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	LESS THAN 1 YEAR \$'000	BETWEEN 1 AND 2 YEARS \$'000	BETWEEN 2 AND 5 YEARS \$'000	OVER 5 YEARS \$'000
Group				
At 31 December 2010				
Trade and other payables	13,597	-	-	-
Borrowings	37,544	895	24,344	-
At 31 December 2009				
Trade and other payables	7,018	-	-	-
Borrowings	8,646	-	-	-
Company				
At 31 December 2010				
Trade and other payables	687	-	-	-
Borrowings	24,973	-	-	-
At 31 December 2009				
Trade and other payables	582	-	-	-
Borrowings	8,646	-	-	-

(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. Management monitors capital based on shareholders' equity.

The Group is not subject to any externally imposed capital requirement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2).
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
<u>Group</u>				
2010				
Assets				
Available-for-sale financial assets				
- Equity securities	739	-	-	739
- Debt investments	-	4,208	3,920	8,128
Total assets	<u>739</u>	<u>4,208</u>	<u>3,920</u>	<u>8,867</u>
2009				
Assets				
Available-for-sale financial assets				
- Equity securities	666	-	-	666
- Debt investment	-	-	3,714	3,714
Total assets	<u>666</u>	<u>-</u>	<u>3,714</u>	<u>4,380</u>

	LEVEL 1 \$'000
<u>Company</u>	
2010	
Assets	
Available-for-sale financial assets	
- Equity securities	<u>169</u>
Total assets	<u>169</u>
2009	
Assets	
Available-for-sale financial assets	
- Equity securities	<u>386</u>
Total assets	<u>386</u>

The fair value of equity securities traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair values of the unquoted financial instruments are obtained based on valuations performed by independent professional valuers. In determining the fair values, the valuers have used the direct comparison method, which involves the comparison of recently transacted sales of similar properties. These financial instruments are classified as Level 2 and comprise of debt investments. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

35. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value measurements (continued)

The following table presents the changes in Level 3 instruments for the financial year ended 31 December 2010.

	DEBT INVESTMENTS AVAILABLE-FOR-SALE \$'000
Opening balance	3,714
Addition	3,920
Fair value gains recognised in other comprehensive income	686
Currency translation differences	(192)
Reclassification to Level 2	(4,208)
Closing balances	3,920

During the financial year ended 31 December 2010, the Group transferred a financial asset, available for sale, from Level 3 to Level 2 as the project has commenced sales and the valuation obtained had utilised observable market data other than quoted prices.

(f) Financial Instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position and in Note 17 to the financial statements, except for the following.

	GROUP		COMPANY	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Loans and receivables	73,318	65,561	110,369	125,781
Financial liabilities at amortised cost	73,579	15,664	25,660	9,228

36. 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

	GROUP	
	2010 \$'000	2009 \$'000
Management fees received from a related party*	10	18
Rental income received from a related party*	72	72

* Related party refers to a company with common directors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

36. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	2010 \$'000	GROUP 2009 \$'000
Wages and salaries	1,458	1,367
Employer's contribution to defined contribution plans, including Central Provident Fund	30	17
	1,488	1,384

37. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("CODM") that are used to make strategic decisions. The CODM comprises the Chief Executive Officer, the Managing Director and the Administration and Finance Director.

The CODM considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the two primary geographic areas: Asia Pacific and Americas. All geographic locations are engaged in the property related business. Other services included within Asia Pacific include investment holding and the sale and distribution of telecommunication products. These results of these operations are included in the "Other" column.

The segment information provided to the CODM for the reportable segments for the year ended 31 December 2010 is as follows:

	ASIA PACIFIC \$'000	PROPERTIES AMERICAS \$'000	OTHER ASIA PACIFIC \$'000	TOTAL \$'000
<u>Group</u>				
2010				
Revenue and other income				
- external sales	11,050	12,093	-	23,143
- other income	323	-	4,918	5,241
	11,373	12,093	4,918	28,384
Cost of revenue and operating expenses	(12,866)	(13,719)	(1,676)	(28,261)
Other gains, net	5,020	-	1,525	6,545
Profit/(loss) before income tax	3,527	(1,626)	4,767	6,668
Write-down of property developed for sale	-	-	-	-
Impairment of property, plant and equipment	-	-	-	-
Impairment of financial assets, available-for-sale	-	-	-	-
Reversal of impairment of other asset	-	-	(8)	(8)
Total assets	170,441	5,783	46,943	223,167
Total assets includes:				
Additions to:				
- investment properties	42,924	-	-	42,924
- prepaid leasehold properties	-	-	-	-
- land held for development	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

37. SEGMENT INFORMATION (CONTINUED)

	PROPERTIES		OTHER	TOTAL
	ASIA PACIFIC	AMERICAS	ASIA PACIFIC	
	\$'000	\$'000	\$'000	\$'000
Group				
2009				
Revenue and other income				
- external sales	20,029	-	-	20,029
- other income	380	-	735	1,115
	20,409	-	735	21,144
Cost of revenue and operating expenses	(19,189)	(215)	(2,565)	(21,969)
Other losses, net	(13)	-	(1,309)	(1,322)
Profit/(loss) before income tax	1,207	(215)	(3,139)	(2,147)
Write-down of property developed for sale	-	-	-	-
Impairment of property, plant and equipment	-	-	-	-
Impairment of financial assets, available-for-sale	-	-	-	-
Reversal of impairment of other asset	-	-	(35)	(35)
Total assets	113,793	6,806	35,286	155,885
Total assets includes:				
Additions to:				
- investment properties	-	-	-	-
- prepaid leasehold properties	-	-	-	-
- land held for development	-	-	-	-

The CODM assesses the performance of the operating segments based on a measure of profit before tax.

Reportable segments' assets are reconciled to total assets as follows:

	2010	2009
	\$'000	\$'000
Segment assets for reportable segments	223,167	155,885
Other segment assets		
Unallocated:		
Tax recoverable	605	1,171
Deferred income tax assets	7	-
	223,779	157,056

Revenue from major products and services

Revenue from external customers are derived mainly from the sale of properties and provision of property consulting services.

	2010	2009
	\$'000	\$'000
Properties	22,143	20,029

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

37. SEGMENT INFORMATION (CONTINUED)

Geographical information

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

- Asia Pacific - the Company is headquartered in Singapore and has operations in Singapore, China and Japan. The operations in this region are principally investment holding, property investment and property development, investing and reselling properties, property consulting and the sale and distribution of telecommunication products;
- Americas - the operations in this region are investing and reselling properties.

	SALES	
	2010	2009
	\$'000	\$'000
Singapore	-	4,134
China	2,984	5,782
Japan	8,066	10,113
United States of America	12,093	-
	23,143	20,029

	NON-CURRENT ASSETS	
	2010	2009
	\$'000	\$'000
Singapore	7,445	7,437
China	21,508	17,838
Japan	42,931	-
United States of America	35	47
	71,919	25,322

38. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2011 or later periods and which the Group has not early adopted:

Amendments to FRS 24 – Related party disclosures (effective for annual periods beginning on or after 1 January 2011)

The management anticipates that the adoption of the above amendments to FRS in the future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

39. 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 14 February 2011.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

40. LISTING OF ALL COMPANIES IN THE GROUP

NAME OF COMPANIES	PRINCIPAL ACTIVITIES	COUNTRY OF BUSINESS/ INCORPORATION	EQUITY HOLDING	
			2010 %	2009 %
<u>Subsidiaries held by the Company</u>				
Corex Technology (S) Pte Ltd ^(d)	Compulsory liquidation	Singapore	100	100
e-ipc (HK) Ltd ^(c)	Investment holding (Dormant)	Hong Kong	100	100
Essex Electronics (Singapore) Pte Ltd ^(a)	Sales and distribution of telecommunication products	Singapore	100	100
IPC Corporation (Korea) Ltd ^(c)	Sales and distribution of computers and related products (Dormant)	Korea	92	92
IPC (Holdings) Inc. ^(c)	Investment holding (Dormant)	U.S.A	100	100
IPC Information and Communication (Pte) Ltd ^(a)	Provision of commercial value-added network services	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), (c)}	Investment holding	Singapore	100	100
IPC Property Development (Zhuhai) Ltd ^(a)	Investment holding and property development	People’s Republic of China	100	100
Zhuhai Costa Del Sol Club Management Co. Ltd ^(b)	Club management company	People’s Republic of China	25	25
Palladio Properties LLC ^(a)	Investing and reselling properties	U.S.A	100	100
<u>Special Purpose Entity</u>				
Palladio LLC ^{(e)(f)}	Investing and reselling properties	Japan	75	100
Palladio Hospitality LLC ^{(e)(f)}	Investment in hospitality assets	Japan	89	-
Palladio Hospitality One LLC ^{(e)(f)}	Investment in hospitality assets	Japan	91	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

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

NAME OF COMPANIES	PRINCIPAL ACTIVITIES	COUNTRY OF BUSINESS/ INCORPORATION	EQUITY HOLDING	
			2010 %	2009 %
<u>Subsidiaries held by the subsidiaries</u>				
Corex Systems (S) Pte Ltd ^{(a), (c)}	Assembly of electronic components and trading of electronic products (Dormant)	Singapore	100	100
IPC Peripherals Inc ^(c)	Development and marketing of computer peripheral products (Dormant)	U.S.A	90	90
Zhuhai Costa Del Sol Club Management Co. Ltd ^(b)	Club Management company	People’s Republic of China	75	75
<u>Associated companies held by the Company</u>				
Imagique Computer Design (S) Pte Ltd ^(c)	Design and development of palm top computers (Dormant)	Singapore	24.62	24.62
Hagenuk Pte Ltd ^{(a),(c)}	Sales and distribution of telecommunication products (Dormant)	Singapore	50	50
Nanyang Institute of Management Pte Ltd ^(c)	Premier education provider	Singapore	-	39.90

(a) Audited by PricewaterhouseCoopers LLC, Singapore

(b) Audited by other accounting firms. Management financial statements are reviewed by PricewaterhouseCoopers LLP, Singapore as part of the audit of the consolidated financial statements.

(c) Immaterial to the Group

(d) In the process of liquidation

(e) This special purpose entity has been consolidated in the financial statements in accordance with Interpretations of Financial Reporting Standard 12 Consolidation-special purpose entities, as the Group primarily bears the risks and enjoys the benefits of the investments held by these special purpose entities. The percentage disclosed represents the beneficial interest of the Group.

(f) Not required to be audited under the laws of the country of incorporation. Management financial statements are reviewed by PricewaterhouseCoopers LLP, Singapore as part of the audit of the consolidated financial statements.

SHAREHOLDERS' INFORMATION

AS AT 21 MARCH 2011

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	10,297	33.64	4,723,457	0.89
1,000	-	10,000	16,530	54.01	50,055,446	9.47
10,001	-	1,000,000	3,749	12.25	164,295,919	31.08
1,000,001		and above	30	0.10	309,538,937	58.56
TOTAL			30,606	100.00	528,613,759	100.00

TWENTY LARGEST SHAREHOLDERS

NO	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1.	OEI HONG LEONG	96,183,000	18.20
2.	ESSEX INVESTMENT (S) PTE LTD	50,387,433	9.53
3.	UNITED OVERSEAS BANK NOMINEES PTE LTD	45,689,881	8.64
4.	CITIBANK NOMINEES SINGAPORE PTE LTD	12,501,000	2.36
5.	RAFFLES NOMINEES (PTE) LTD	10,283,000	1.95
6.	DBS NOMINEES PTE LTD	9,805,855	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	1.33
11.	KEE SUE HWA	7,054,003	1.33
12.	NGIAM MIA KIAT BENJAMIN	7,024,541	1.33
13.	DBS VICKERS SECURITIES (S) PTE LTD	6,490,537	1.23
14.	OCBC NOMINEES SINGAPORE PTE LTD	4,798,663	0.91
15.	BOON SUAN AIK	3,976,000	0.75
16.	TEO GIM TONG	3,953,000	0.75
17.	KIM ENG SECURITIES PTE. LTD.	2,362,095	0.45
18.	SIN HENG CHAN INVESTMENTS PTE LTD	2,225,000	0.42
19.	UOB KAY HIAN PTE LTD	1,865,150	0.35
20.	CAO YANG	1,849,000	0.35
TOTAL		295,636,946	55.92

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Approximately 57.57% 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.

SHAREHOLDERS' INFORMATION

AS AT 21 MARCH 2011

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	DIRECT INTEREST	%	DEEMED INTEREST	%
Oei Hong Leong	96,183,000	18.20	-	-
Essex Investment (Singapore) Pte Ltd ("Essex")	50,387,433	9.53	-	-
Ngiam Mia Je Patrick ¹	7,093,208	1.34	58,119,293	10.99
Ngiam Mia Kiat Benjamin ²	7,024,541	1.33	50,387,433	9.53
Lauw Hui Kian ³	7,731,860	1.46	57,480,641	10.87
United Overseas Bank Limited ⁴	-	-	41,481,509	7.85

Notes:

- ¹ Deemed interest in 50,387,433 shares held by Essex by virtue of Section 7 of the Companies Act and 7,731,860 shares held by Ms Lauw Hui Kian.
- ² Deemed interest in 50,387,433 shares held by Essex by virtue of Section 7 of the Companies Act.
- ³ Deemed interest in 50,387,433 shares held by Essex by virtue of Section 7 of the Companies Act and 7,093,208 shares held by Mr Ngiam Mia Je Patrick.
- ⁴ United Overseas Bank Limited is the beneficial owner of 41,481,509 shares held by United Overseas Bank Nominees Pte Ltd.

NOTICE OF ANNUAL GENERAL MEETING

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

IPC CORPORATION LTD

(Company Registration 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 Thursday, 28 April 2011 at 1.30 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 2010 together with the Auditors' Report thereon.

(Resolution 1)

2. To declare a first and final dividend of 0.25 cents per share (tax exempt one tier) for the year ended 31 December 2010 (*previous year: 0.25 cents per share*).

(Resolution 2)

3. To re-elect the following Directors of the Company retiring pursuant to Article 90 of the Articles of Association of the Company:

Mr Lee Soo Hoon Phillip
Mr Ngiam Mia Hong Alfred

(Resolution 3)

(Resolution 4)

Mr Lee Soo Hoon Phillip will, upon re-election as Director of the Company, remain as Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee and will be considered independent.

4. To approve the payment of Directors' fees of S\$145,000.00 for the year ended 31 December 2010 (*previous year: S\$127,500.00*)

(Resolution 5)

5. To re-appoint Messrs PricewaterhouseCoopers LLP as the Auditors of the Company and to authorise the Directors of the Company 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

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 ("SGX-ST"), 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, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other Instruments convertible into shares,

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 Instruments made or granted by the Directors of the Company while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

IPC CORPORATION LTD

(Company Registration No.198501057M)

(Incorporated in Singapore with limited liability)

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) 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 to be issued other than on a pro rata basis to 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 SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares 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 any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards which are outstanding or 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 SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) 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 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 (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, 12 April 2011

NOTICE OF ANNUAL GENERAL MEETING

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

IPC CORPORATION LTD

(Company Registration 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, effective 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 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 shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares 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 any convertible securities or share options or vesting of share awards which are 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, effective 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 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 or to be granted under the Scheme up to a number not exceeding in aggregate (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 forty-eight (48) hours before the time appointed for holding the Meeting.

NOTICE OF BOOKS CLOSURE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

IPC CORPORATION LTD

(Company Registration 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 12 May 2011 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 11 May 2011 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 11 May 2011 will be entitled to the proposed dividend.

Payment of the dividend if approved by the members at the Annual General Meeting held on 28 April 2011 will be made on 26 May 2011.

PROXY FORM

IPC CORPORATION LTD

Company Registration 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 28 April 2011 at 1.30 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 at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(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 2010		
2	Payment of proposed first & final tax exempt one tier dividend		
3	Re-election of Mr Lee Soo Hoon Phillip as a Director		
4	Re-election of Mr Ngiam Mia Hong Alfred as a Director		
5	Approval of Directors' fees amounting to S\$145,000.00		
6	Re-appointment of Messrs PricewaterhouseCoopers LLP as Auditors		
7	Authority to issue new shares		
8	Authority to issue shares under the IPC Employees' Share Option Scheme		

Dated this _____ day of _____ 2011

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

* Delete where inapplicable

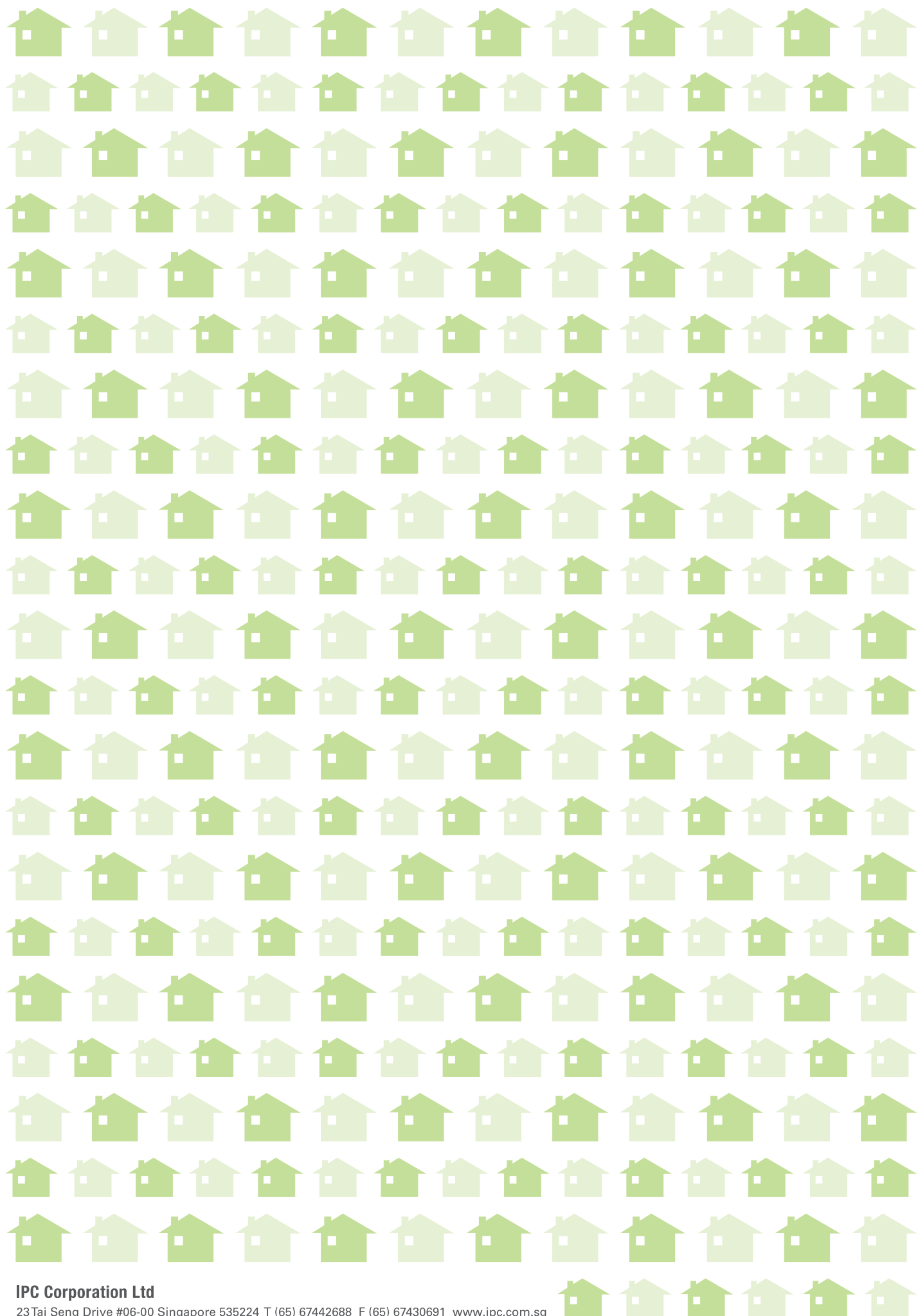
TOTAL NUMBER OF SHARES IN	NO. OF SHARES
(a) CDP Register	
(b) Register of Members	

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 as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.



IPC Corporation Ltd

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