

**CIRCULAR DATED 15 NOVEMBER 2007**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of IPC Corporation Ltd (the "**Company**"), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



**IPC CORPORATION LTD**

(Company Registration Number: 198501057M)

(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS**

**in relation to**

**THE CHANGE OF THE COMPANY'S CORE BUSINESS  
TO INCLUDE THE PROPERTY BUSINESS**

**IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form : 28 November 2007 at 2 p.m.

Date and time of Extraordinary General Meeting : 30 November 2007 at 2 p.m.

Place of Extraordinary General Meeting : 23 Tai Seng Drive  
#06-00  
Singapore 535224

## CONTENTS

	<b>PAGE</b>
DEFINITIONS .....	3
LETTER TO SHAREHOLDERS .....	5
1. INTRODUCTION .....	5
2. THE CHANGE OF THE COMPANY'S CORE BUSINESS OF INFORMATION TECHNOLOGY AND INVESTMENT HOLDING TO INCLUDE THE BUSINESS OF PROPERTY INVESTMENT AND PROPERTY DEVELOPMENT .....	5
3. MATERIAL LITIGATION .....	13
4. MATERIAL CONTRACTS .....	13
5. EXTRAORDINARY GENERAL MEETING .....	13
6. ACTION TO BE TAKEN BY SHAREHOLDERS .....	13
7. DIRECTORS' RECOMMENDATION .....	13
8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST .....	14
9. DOCUMENTS AVAILABLE FOR INSPECTION .....	15
10. DIRECTORS' RESPONSIBILITY STATEMENT .....	15
APPENDIX 1 : EXISTING SUBSIDIARIES AND ASSOCIATED COMPANIES .....	16
NOTICE OF EXTRAORDINARY GENERAL MEETING .....	18
PROXY FORM .....	19

## DEFINITIONS

For the purpose of this Circular, the following definitions have, where appropriate, been used:

"Act" or "Companies Act"	: The Companies Act, Chapter 50, of Singapore, as amended or modified from time to time or re-enactment thereof for the time being in force
"Board", "Directors" or "Board of Directors"	: The directors of the Company for the time being
"Business Day"	: Any day on which banks are generally open for business in Singapore and does not include any Saturday, Sunday or public holiday
"CDP"	: The Central Depository (Pte) Limited
"Circular"	: This Circular to Shareholders dated 15 November 2007 despatched by the Company, a copy of which can be downloaded from the SGX-ST website or obtained from the registered office of the Company
"Company"	: IPC Corporation Ltd
"Development Agreement"	: The property development co-operation agreement dated 11 July 2007 between Zhuhai IPC and Dongbozi with regard to the Dongbozi Project
"Director"	: A Director of the Company for the time being
"Dongbozi"	: Yantai City Laishan District Dongbozi Enterprise Co Ltd (烟台市莱山区东泊子商贸有限公司)
"Dongbozi Project"	: A commercial and residential development project in Yantai City, PRC, which Zhuhai IPC is cooperating with Dongbozi to develop
"EGM"	: The extraordinary general meeting of the Company to be held at 23 Tai Seng Drive, #06-00, Singapore 535224 on 30 November 2007 at 2 p.m., notice of which is set out on page 18 of this Circular
"EPS"	: Earnings Per Share
"FY"	: Financial year ended or ending on 31 December
"Group"	: The Company and its subsidiaries collectively
"Latest Practicable Date"	: 31 October 2007, being the latest practicable date prior to the printing of this Circular
"Listing Manual"	: The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
"Market Day"	: A day on which the SGX-ST is open for trading in securities
"NIM"	: Nanyang Institute of Management Pte Ltd
"PRC"	: The People's Republic of China

"Property Business"	: Property Investment and Property Development
"Securities Account"	: A securities account maintained by a Depositor with CDP but does not include a securities sub-account
"SFA"	: Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time or re-enactment thereof for the time being in force
"SGX-ST"	: The Singapore Exchange Securities Trading Limited
"Shareholders"	: The registered shareholders of the Company, except where the registered shareholder is CDP, then in relation to such Shares, the term shall mean the Depositors whose Securities Accounts are credited with such Shares
"Shares"	: The ordinary shares in the capital of the Company
"Zhuhai IPC"	Zhuhai IPC Property Development Co. Ltd
"Zhuhai Project"	: The development of Costa del Sol ( <a href="http://www.costadelsol.com.cn">www.costadelsol.com.cn</a> ), a premium residential and commercial property project in Zhuhai, PRC developed by Zhuhai IPC
"\$" or "\$\$" and "cents"	: Singapore dollars and cents respectively, the legal currency of Singapore
"%" or "per cent"	: Per centum or percentage

The term "associate", "associated company" and "subsidiary" shall have the meanings ascribed to them respectively in the Fourth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 and the Companies Act. The term "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them in Section 130A of the Act. Any reference to a time of day in this Circular shall be a reference to Singapore time, unless otherwise stated.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Act, the SFA or the Listing Manual or such statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Act, SFA, or the Listing Manual or such statutory modification thereof, as the case may be, unless otherwise provided.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Any discrepancies in tables included herein between the amounts and totals thereof are due to rounding; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Certain names with Chinese characters have been translated into English names. Such translations are provided solely for the convenience of investors and may not have been registered with the relevant PRC authorities and should not be construed as representations that the English names actually represent the Chinese characters.

**IPC CORPORATION LTD**  
(Company Registration Number: 198501057M)  
(Incorporated in the Republic of Singapore)

**LETTER TO SHAREHOLDERS**

**Directors**

Ngiam Mia Je Patrick (Chairman & Chief Executive Officer)  
Ngiam Mia Kiat Benjamin (Managing Director)  
Lauw Hui Kian (Executive Director)  
Ngiam Mia Hai Bernard (Executive Director)  
Ngiam Mia Hong Alfred (Executive Director)  
Lee Joo Hai (Independent Director)  
Lee Soo Hoon Phillip (Independent Director)  
Seah Seow Kang Steven (Independent Director)  
William Michael Driscoll (Non-Executive Director)

**Registered Office**

23 Tai Seng Drive  
#06-00  
Singapore 535224

15 November 2007

To: The Shareholders of IPC Corporation Ltd

Dear Sir/Madam,

**THE CHANGE OF THE COMPANY'S CORE BUSINESS OF INFORMATION TECHNOLOGY AND INVESTMENT HOLDING TO INCLUDE THE BUSINESS OF PROPERTY INVESTMENT AND PROPERTY DEVELOPMENT**

**1. INTRODUCTION**

- 1.1 The purpose of this Circular is to provide Shareholders with the relevant information and the underlying rationale pertaining to the proposed change in the core business of the Company to include the Property Business.
- 1.2 The approval of the Shareholders for the proposed change in the core business of the Company will be sought at the EGM of the Company to be convened and held at 23 Tai Seng Drive, #06-00, Singapore 535224 on 30 November 2007 at 2 p.m. The Notice of EGM is set out on page 18 of this Circular.

**2. THE CHANGE OF THE COMPANY'S CORE BUSINESS OF INFORMATION TECHNOLOGY AND INVESTMENT HOLDING TO INCLUDE THE BUSINESS OF PROPERTY INVESTMENT AND PROPERTY DEVELOPMENT**

- 2.1 Existing business of the Group

**Group Businesses**

The Company was incorporated in Singapore on 8 May 1985 and has been listed on the Mainboard of the SGX-ST since 21 May 1993. The existing businesses of the Group are conducted by the Company and through its subsidiaries and associated companies set out in Appendix 1 and includes the following:

(i) Property Development

The Company engages in property development through its wholly-owned subsidiary, Zhuhai IPC and its current projects are as follow:

(a) Zhuhai Project

In 1997, Zhuhai IPC, acquired land in Zhuhai, PRC and the Group commenced its property development business. Zhuhai IPC is the developer of Costa del Sol ([www.costadelsol.com.cn](http://www.costadelsol.com.cn)), a premium residential and commercial property project in Zhuhai, PRC.

The Zhuhai Project has won Zhuhai IPC several accolades including the Zhuhai top star property award in 2002 and 2003, and Zhuhai landscaping gold medal property award in 2004. Zhuhai IPC was also an award recipient of the 9th International Garden City Awards for being one of PRC's best international garden communities. It is anticipated that the last phase of development for the resident apartment units in the Zhuhai Project would be completed by the end of 2007 and the commercial property in the Zhuhai Project, comprising retail units and hotel would be completed by the end of 2008.

(b) Dongbozi Project

Zhuhai IPC had entered into the Development Agreement with Dongbozi, a company collectively owned by the residents of Dongbozi village, on 11 July 2007. Pursuant to the Development Agreement, Zhuhai IPC would be responsible for the overall planning and development, construction and sales and marketing of the Dongbozi Project.

The Dongbozi Project would be carried out in phases and the development size for each phase would be determined in accordance to market demand and as may be agreed between Zhuhai IPC and Dongbozi. On completion of each phase of the Dongbozi Project, Zhuhai IPC would be allocated 60% and 70% of the floor area of the completed commercial and residential development respectively, while Dongbozi would be allocated with the remaining 40% and 30% respectively. It is estimated that the Dongbozi Project will take more than 5 years to complete.

Revenue from Zhuhai IPC for FY2006 was S\$25.902 million, which is a decrease of S\$8.165 million or 24% from the previous financial year due to slower sales rate as a result of the recent unforeseen measures implemented by the Chinese government to curb the property market from overheating.

(ii) Information Technology

The Company was involved in the manufacture and sale of computers and peripherals at the time of its listing and had ceased its computers and peripherals business in 1998. Since 1998, the Company has transformed its information technology business from computer hardware manufacturing to software development. The software development business is primarily spearheaded by its subsidiary, Thinsoft (Holdings) Inc. ("**Thinsoft**"), a thin computing solutions provider listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong.

Revenue from Thinsoft in FY2006 was S\$4.048 million, which is an increase of S\$0.332 million or 9% from the previous financial year due to better sales of its products as there was an increased appeal in its products moving from individuals to large corporations and government entities.

(iii) Investment Holding

In addition to investment in its subsidiaries and associated companies, the Group also engages in activities of investment holding whereby the Company or its subsidiaries will invest in a wide range of investments across diverse industry sectors so as to improve shareholders' value.

Income from the Group's Investment Holding business in FY2006 was S\$1.974 million, which is a decrease of S\$6.625 million or 77% from the previous financial year due to the reduction in proceeds from gains on the divestment of other investments.

(iv) Education Business

The Company owns 39.9% of the issued and paid-up capital of NIM. As such, NIM is an associated company of the Company. NIM provides market relevant education programs in tourism and hospitality, early childhood teachers training and business management. It provides a wide range of certifications from diploma to post-graduate degrees. NIM also owns the sole proprietorship carrying on business as HEG Centre For Higher Education which engages in the business of training students in business management and the sole proprietorship carrying on business as International Centre For Early Childhood Education which engages in the business of training teachers in early childhood education.

Revenue from NIM in FY2006 was S\$2.167 million, which is a decrease of S\$0.253 million or 10% from the previous financial year due to lower student in-take from China as a result of keen competition from other countries.

The revenue and profit/(loss) from operating activities for the different businesses of the Group in FY2005 and FY2006 are set out in a tabular format below.

Group Business	FY2005 (S\$ 'million)		FY2006 (S\$ 'million)	
	Revenue	Profit/(Loss) from operating activities	Revenue	Profit/(Loss) from operating activities
Property Development (revenue from Zhuhai IPC)	34.067	2.718	25.902	(4.299)
Information Technology (revenue from Thinsoft)	3.716	1.099	4.048	1.235
Investment Holding and Others <sup>1</sup>	9.759	6.081	4.427	1.110
Education Business (revenue from NIM)	2.420	(1.730)	2.167	(1.969)

Notes:

1 "Others" relate mainly to interest income and rental income and in FY2006, also relates to a write back of sundry payables

## 2.2 Proposed change of core business to include the Property Business

2.2.1 Upon the approval of Shareholders in the EGM, the Company is proposing a change of its current core businesses of information technology and investment holding to include the business of property investment and property development which includes property related investment, the holding of investment in property related assets,

trading in and development of property (the "**Property Business**"). The Company also proposes, as part of the Property Business, to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares/interests in any entity that is in the Property Business.

2.2.2 The Company intends to engage in the Property Business as its core business in addition to its current core business of information technology and investment holding for the following reasons:

**(i) Leverage on experience of existing business**

The Company currently engages in the Property Business through its wholly-owned subsidiary Zhuhai IPC. The Group believes that it had been chosen by Dongbozi to participate in the Dongbozi project due to its experience and track record gained from the Zhuhai Project and believes that its experience would hold it in good stead for future projects. The Group envisages that it will be able to identify appropriate land sites and profitable property development projects with experience gained from the Zhuhai Project and Dongbozi Project. As such, the Company believes that it is able to leverage on the experience gained in its undertaking of the Zhuhai Project as well as the Dongbozi Project so as to expand the Property Business as part of its core business.

With the Group's existing experience in Property Business in the PRC, we are keen to consider suitable projects to expand our Property Business in the PRC. We would also consider suitable opportunities in other regions such as South-east Asia and the Middle East to grow our Property Business. As at the Latest Practicable Date, we have not entered into any agreement with any party concerning such projects. Should we finalise any agreement to expand our Property Business, we would make the announcements (where necessary) and seek shareholders approval and the relevant regulatory approval pursuant to the relevant laws and regulations (where required).

**(ii) Approval required from Shareholders for Major Transactions**

Pursuant to Rules 1013 and 1014 of the Listing Manual, a major transaction is a transaction where any of the relative figures as computed on the bases set out in Rule 1006 exceeds 20% (a "Major Transaction"). A Major Transaction must be made conditional upon approval by shareholders in general meeting. We set out below the bases set out in Rule 1006 of the Listing Manual:

- (a) The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.
- (b) The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.
- (c) The aggregate value of the consideration given or received, compared with the issuer's market capitalisation.
- (d) The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.

Pursuant to Practice Note 10.1 of the Listing Manual, Shareholders' approval is not required for a Major Transaction if the acquisition will result in an expansion's of the issuer's existing core business. As set out in the Listing Manual, the SGX-ST takes the view that it should not in normal circumstances require an issuer to seek shareholder approval if the



expansion is by way of an acquisition of a similar business, when other means to expand its business that are open to the issuer would not require shareholder approval.

With the proposed change of core business of the Company to include the Property Business, acquisitions which are in the same nature as the Company's core business and which will not change the risk profile of the Company, will not require the approval of the Shareholders and need not be made conditional upon the approval of the Shareholders. However, should an acquisition change the risk profile of the Company, shareholders approval would need to be sought and this would be notwithstanding that there is no change to the core business of the Company. The change in core business of the Company will allow the Company, in its normal course of business, to enter into Major Transactions relating to the Property Business and which will not change the risk profile of the Company in an efficient and timely manner, without the need for Shareholders' approval. As such, the Company will not need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions which are Major Transactions relating to the Property Business arise, thereby reducing substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company.

**(iii) Benefit from the continuing economic growth of PRC and other countries**

The Company believes that the accelerated pace of economic growth in certain countries especially in the PRC, resulting in a higher standard of living will consequently lead to an increased demand for premium commercial and residential properties. This will in turn bring about new market opportunities in the property development and property investment sectors. The Company is optimistic that its venture into such property investment and property development when the appropriate market opportunities arise will enable it to benefit from the rising demand in the market for premium commercial and residential properties.

2.2.3 Upon the completion of the change in the Company's core business to include the Property Business listed in 2.2.1 above, the Group will from time to time consider engaging in Property Business projects and will evaluate each project on their individual merits. In making its assessment on the method and timing of such projects, the Group will consider the relevant market conditions, growth potential and value enhancement of such projects for the Group as a whole.

**2.3 Risks in relation to the new proposed additional core business of Property Business**

The following is an identified but by no means exhaustive list of risk factors which are associated with the additional core businesses.

**We face various financing risks**

The Property Business requires substantial capital investments for the acquisition of land and construction (where applicable). These additional funds may be raised by issuing equity or debt securities or by borrowing from banks or other sources. In addition to internally generated funds, we would typically seek debt financing which usually comprises mainly of bank borrowings for the cost of development.

Our bank borrowings typically incur interest at floating interest rates. The interest rates which we are charged for debt financing may vary according to prevailing market interest rates. In the event that we fail to provide adequately for increasing interest expense in the financing and pricing of our development projects, our financial performance may be adversely affected. Due to the nature of our business, we may face significant debt levels in the future.

As such, we are particularly subject to risks normally associated with significant debt levels such as the risk of not being able to meet principal and interest obligations. Such financing may also be accompanied by conditions that limit our ability to pay dividends or require us to seek lenders' consent for payment of dividends, or restrict our freedom to operate our business by requiring lender's consent for certain corporate actions. In the event that we are unable to correctly provide for our financing obligations, our financial performance may be adversely affected.

In the event we raise additional funds through the equity markets for our projects, secondary issue(s) of securities would be necessary and Shareholders who are unable or unwilling to participate in such fund-raising exercises may suffer dilution in their investment in our Shares. The issue of new Shares to new and/or existing Shareholders may also be priced at a discount to the then prevailing market price of our Shares, in which case, existing Shareholders' equity interest would also be diluted. In the event we fail to utilise the new equity to generate a commensurate increase in earnings, our earnings per share will be diluted and this could lead to a decline in the Company's share price.

The availability of debt financing and access to the capital markets for our funding needs depend on prevailing economic conditions, our ongoing performance and the general condition of the property market. We cannot ensure that future financing will be available or available on acceptable terms, or in an amount sufficient for our needs. In the event that we are unable to obtain acceptable financing, we may not be able to undertake certain new projects and our operational results may be adversely affected.

#### **We face various construction risks**

We rely on third party contractors to construct our development projects. As such, we are subject to construction risks such as failure of contractors to perform their contractual obligations due to factors such as labour problems or financial difficulties, delays in construction schedules or completion time due to adverse weather and/or soil conditions, failure of contractors to bear cost overruns and disputes and any other unforeseen circumstances. All such delays and cost overruns may have an adverse impact on our financial performance.

#### **We are subject to risk relating to the countries in which we may operate our Property Business**

Although we will consider suitable property projects in regions such as PRC, South-east Asia and Middle East to grow our Property Business, we have not commenced our Property Business in countries other than the PRC. As such, we will be exposed to numerous unquantifiable risks associated with the Property Business in such new regions. Adverse developments in political and economic considerations in countries which we may operate in may materially affect the financial prospects of our Group and consequently, the market value and liquidity of our Shares. Political and economic uncertainties include risks of war, expropriation, nationalization or nullification of existing contracts, changes in legislation, interest rates and methods of taxation and currency exchange. There can be no assurance that such adverse political and economic factors will not materially affect our Group's business operations and financial performance.

#### **We are subject to intense competition and may not be able to compete successfully**

The Property Business is highly competitive as we face competition from existing property developers as well as new entrants to the property development business. Some of our competitors may also possess larger financial resources than us. In order to compete successfully in the property development market, we may have to offer more competitive prices or try to differentiate ourselves in more innovative marketing strategies and property designs. In the event that we are not able to compete successfully against our competitors, our business, financial position and performance may be adversely affected.

### **We are subject to revenue volatility**

We are vulnerable to revenue volatility which is characteristic of companies in the Property Business. This is due primarily to the manner by which our revenues are generated by way of projects secured through the competitive process of tenders. There is also no consistency in the number and value of projects we undertake and no assurance we will be able to continuously secure new projects of similar value and volume as the projects undertaken are generally non-recurring. Our revenue may fluctuate significantly from year to year according to the number of projects and the value of projects successfully secured resulting in revenue volatility.

In the event that we are not able to continually and consistently secure new projects, this would have an adverse impact on our financial performance. In addition, there may be a lapse of time between the completion of our projects and the commencement of subsequent projects. As such, our earnings and financial performance during such periods may be adversely affected.

### **We depend on our ability to source for land sites and identify profitable property development projects**

In the Property Business, it is important to identify appropriate land sites and profitable property development projects. We do not generally accumulate a land bank but acquire our land sites as and when the capacity to undertake a property development project arises. As such, we are subject to fluctuations in property prices as well as availability of suitable land sites. In addition, there is competition with other property developers for land sites. Failure to secure appropriate land sites for property development would directly affect our turnover.

The viability and profitability of property development projects are affected by the general economic conditions in the relevant country, the prevailing interest rates and the construction costs. The failure to identify potential and profitable new property projects would have an adverse effect on our turnover and profitability. In the event that we are unable to sell our unsold properties, we may incur further continuing holding costs, including interest costs and maintenance costs, which may have an adverse effect on our financial performance.

### **Our property development projects may be affected by changes in business environment**

The length of a property development project can typically last two to three years, depending on the size of the development. Consequently, changes in the business environment during the length of the project may affect the revenue and cost of the development which will directly depress the profit margin of our project. Factors which affect the profitability of a project may include but are not limited to the following:

- (i) delays encountered in procuring the necessary approvals for sale from the relevant government bodies;
- (ii) fluctuations in demand for properties;
- (iii) delays encountered in construction schedules due to poor weather conditions, labour disputes and any other unforeseen circumstances; and
- (iv) fluctuations in cost of construction materials and other costs of development.

### **Changes in government legislation, regulations or policies which affect property demand directly or indirectly will adversely affect our financial performance**

Our Property Business is also subject to various laws and regulations in the countries which we may operate. Such regulations include land and title acquisition, development planning, design and construction as well as mortgage financing and refinancing. The compliance with such new government legislation, regulations or policies may also increase our costs and any significant increase in compliance costs arising from such new government legislation,

regulations or policies may adversely affect our results of operations. There is no assurance that any changes in government legislation, regulations and policies will not have an adverse effect on our financial performance. In the event that we are unable to obtain the relevant licences or certificates required for our Property Business, or we do not comply with any conditions imposed by these licences or certificates, or we are unable to obtain any other approvals required for our property development projects, our business and operations could be adversely affected.

#### **Our unsold property development assets may be illiquid**

It is common for a proportion of the units in a property development projects to continue to remain unsold for a period after completion. Any unsold property development assets are relatively illiquid prior to their sale. Such illiquidity limits our ability to convert our unsold property development assets into cash on short notice. Such illiquidity may also have a negative effect on determining the selling prices of our unsold completed property development assets in the event that we require a quick sale of these assets. Consequently, such illiquidity may affect our financial performance adversely.

#### **We are affected by uninsured loss to our property developments**

Our Group maintains insurance policies against floods, fire, lightning and third party physical damage, covering our property development projects. In addition, certain types of losses such as acts of God, acts of terrorism, war and civil disorder are generally very costly to insure and it may not be cost-effective for us to obtain such insurance cover for our property development projects in these respects. Should there be loss arising out of the damage to our properties which are not covered by our insurance policies or should such damage be in excess of the amount for which we are insured, our profitability would be adversely affected. Also, in such events which are not covered by our insurance policies, we would have to commit additional costs to the relevant project for its completion which could have a material adverse effect on our financial performance.

#### **We may face claims**

It is not uncommon in connection with our property development business that claims relating to delays and defective works are sometimes made against us by the purchasers and the management corporations of such properties. Claims may also be made against us by the owners or occupiers of neighbouring properties in respect of the use and enjoyment of such properties.

Our business and financial position will also be affected if we have to pay a significant amount of compensation or spend a significant amount of resources in legal costs in the event of legal proceedings. Our reputation may also be adversely affected as a result of such proceedings.

#### **We may be subject to limitations of property valuations**

The valuations of our properties are conducted by professional valuers. The valuations are based on certain assumptions and are not intended to be a prediction of the actual values likely to be realised by our Group from these investments. The valuations of our properties will be adversely affected by unfavourable changes in economic or regulatory conditions or other relevant factors which could affect such valuations.

#### **We are subject to risks associated with joint ventures**

We expect that we may, as a matter of business strategy, from time to time enter into property development and property investment projects through the formation of joint ventures. These joint ventures involve a certain amount of business risks as, amongst others, instances of the inability or unwillingness of joint venture partners to fulfill their obligations under the joint venture agreements may occur. Political uncertainties or new governmental regulations such as restrictions on ownership could also result in a decline in our Group's investments in these joint ventures or a loss in our Group's ability to influence the management, directors and decisions made by these companies. There is no assurance that we will not, in the future,

encounter such business risks which, if financially material, will have an adverse effect on our financial position and results of operations.

### **3. MATERIAL LITIGATION**

As at the Latest Practicable Date, the Directors are not aware of any material litigation that may have or have had a material effect on the Group's financial position or profitability as neither the Company nor any of its subsidiaries is engaged in any legal or arbitration proceedings, including those which are pending or known to be contemplated, in the last twelve (12) months before the date of this Circular.

### **4. MATERIAL CONTRACTS**

Save as announced by the Company for the period of 2 years immediately preceding the Latest Practicable Date, there are no material contracts, other than a contract entered into in the ordinary course of business, to which the Company or any member of the Group is a party.

### **5. EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on page 18 of this Circular, will be held at 23 Tai Seng Drive, #06-00, Singapore 535224 on 30 November 2007 at 2 p.m., for the purpose of considering and, if thought fit, passing (with or without any modification) the resolution set out in the Notice of EGM on page 18 of this Circular.

### **6. ACTION TO BE TAKEN BY SHAREHOLDERS**

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the registered address of the Company at 23 Tai Seng Drive, #06-00, Singapore 535224 not less than 48 hours before the time for holding the EGM. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he so wishes. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 48 hours before the EGM.

### **7. DIRECTORS' RECOMMENDATION**

The Directors are of the opinion that the change of the core business of the Company to include the Property Business is in the interests of the Company and Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the change of the core business of the Company at the EGM.

## 8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

As at the Latest Practicable Date, the interest of Directors in the Company and of substantial shareholders of the Company (being a Shareholder whose interests in the Company's issued share capital is equal to or more than 5 per cent.) are as follows:-

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
<b>Directors</b>				
<b>Ordinary shares</b>				
Ngiam Mia Je Patrick	7,093,208	1.34	58,119,293	10.99
Ngiam Mia Kiat Benjamin	7,024,541	1.33	50,387,433	9.53
Lauw Hui Kian	7,731,860	1.46	57,480,641	10.87
Ngiam Mia Hai Bernard	7,306,860	1.38	-	-
Ngiam Mia Hong Alfred	7,056,860	1.33	-	-
Lee Joo Hai	-	-	-	-
Lee Soo Hoon Phillip	-	-	-	-
Seah Seow Kang Steven	31,011	0.01	-	-
William Michael Driscoll	-	-	-	-
<b>Options granted to subscribe for ordinary shares</b>				
Ngiam Mia Je Patrick	-	-	-	-
Ngiam Mia Kiat Benjamin	-	-	-	-
Lauw Hui Kian	-	-	-	-
Ngiam Mia Hai Bernard	150,000	0.03 <sup>1</sup>	-	-
Ngiam Mia Hong Alfred	150,000	0.03 <sup>1</sup>	-	-
Lee Joo Hai	-	-	-	-
Lee Soo Hoon Phillip	-	-	-	-
Seah Seow Kang Steven	-	-	-	-
William Michael Driscoll	150,000	0.03 <sup>1</sup>	-	-
<b>Substantial Shareholders</b>				
Oei Hong Leong Foundation Pte Ltd (Formally known as Chip Lian Investments Pte Ltd)	63,604,000	12.03	-	-
Chip Lian Private Limited <sup>2</sup>	-	-	63,604,000	12.03
Oei Hong Leong <sup>3</sup>	-	-	63,604,000	12.03
Essex Investment (Singapore) Pte Ltd ("Essex")	50,387,433	9.53	-	-
Ngiam Mia Je Patrick <sup>4</sup>	7,093,208	1.34	58,119,293	10.99
Ngiam Mia Kiat Benjamin <sup>5</sup>	7,024,541	1.33	50,387,433	9.53
Lauw Hui Kian <sup>6</sup>	7,731,860	1.46	57,480,641	10.87
United Overseas Bank Limited <sup>7</sup>	-	-	41,481,509	7.85



**Note(s):**

- 1 Calculated as a percentage of the sum of the issued shares of the Company and the number of shares in the Company to be issued assuming all options issued have been exercised.
- 2 Deemed interest in 63,604,000 shares held by Oei Hong Leong Foundation Pte Ltd ("OHLF") by virtue of Section 7 of the Companies Act, Cap. 50 (the "Act"). OHLF is a wholly-owned subsidiary of Chip Lian Private Limited.
- 3 Deemed interest in 63,604,000 shares held by OHLF by virtue of Section 7 of the Act. Oei Hong Leong ("OHL") owns more than 50% of the issued shares in the capital of Chip Lian Private Limited, which, in turn, hold 100% of the issued shares in the capital of OHLF. By virtue of Section 7 of the Act, OHL is deemed to be interested in 63,604,000 shares held by OHLF.
- 4 Deemed interest in 50,387,433 shares held by Essex by virtue of Section 7 of the Act and 7,731,860 shares held by Ms Lauw Hui Kian by virtue of Section 164 of the Act.
- 5 Deemed interest in 50,387,433 shares held by Essex by virtue of Section 7 of the Act.
- 6 Deemed interest in 50,387,433 shares held by Essex by virtue of Section 7 of the Act and 7,093,208 shares held by Mr Ngiam Mia Je Patrick by virtue of Section 164 of the Act.
- 7 United Overseas Bank Limited is the beneficial owner of 41,481,509 shares held by UOB Nominees Pte Ltd.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 23 Tai Seng Drive, #06-00, Singapore 535224 from the date of this Circular up to the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the Annual Reports of the Company for FY2005 and FY2006.

**10. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular, and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material respects as at the Latest Practicable Date, and that there are no material facts, the omission of which would make this Circular misleading. Where information has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources.

Yours faithfully  
For and on behalf of the Board of Directors of  
IPC CORPORATION LTD

Ngiam Mia Je Patrick  
Chairman & Chief Executive Officer

## EXISTING SUBSIDIARIES AND ASSOCIATED COMPANIES

Details of subsidiaries and associated companies of the Company as at the Latest Practicable Date are as follows:

Name of company (Country of incorporation and operations)	Principal activities	Effective equity interest held by the Group %	Investment Amount S\$
<b>Held by the Company:</b>			
Corex Technology (S) Pte Ltd (Singapore)	In compulsory liquidation	100	1,211,035
e-pic (HK) Ltd (Hong Kong)	Investment holding (Dormant)	100	190,800
Essex Electronics (Singapore) Pte Ltd (Singapore)	Sales and distribution of telecommunication products and computer service and support provider	100	503,439
IPC Corporation (Korea) Ltd (Korea)	Sales and distribution of computers and related products (Dormant)	92	6,554,760
IPC (Holdings) Inc. (U.S.A.)	Investment holding (Dormant)	100	5,227,434
IPC Information And Communication (Pte) Ltd (Singapore)	Provision of commercial value-added network services	100	2
IPC Peripherals Pte Ltd (Singapore)	Sales and distribution of computer system boards and peripheral products	100	2,700,000
IPC Singapore Pte Ltd (Singapore)	Investment holding	100	2
IPC Systems (M) Sdn Bhd (Malaysia)	Sales and distribution of computers and related products (In the process of members' voluntary winding up)	100	7,931,174
Nanyang Institute of Management Pte Ltd (Singapore)	Premier education provider	39.9	2,000,002
ThinSoft (Holdings) Inc (Cayman Island)	Investment holding	74.81	1,500,000
Zhuhai IPC Property Developments Co. Ltd. (PRC)	Investment holding and property development	100	7,463,088
Zhuhai Costa Del Sol Club Management Co. Ltd. (PRC)	Club and hotel management company	25	503,472
Imagique Computer Design (S) Pte Ltd (Singapore)	Design and development of palm top computers	24.62	520,000



<b>Name of company (Country of incorporation and operations)</b>	<b>Principal activities</b>	<b>Effective equity interest held by the Group %</b>	<b>Investment Amount S\$</b>
Hagenuk Pte Ltd (Singapore)	Sales and distribution of telecommunication products (Dormant)	50	499,998
<b>Held by the subsidiaries:</b>			
Corex Systems (S) Pte Ltd (Singapore)	Assembly of electronic components and trading of electronic products (Dormant)	100	100,000
IPC Peripherals Inc (U.S.A.)	Development and marketing of computer peripheral products (Dormant)	90	14,520
ThinSoft Inc (British Virgin Islands)	Holdings of intellectual properties	74.81	1
ThinSoft (Investment) Inc (British Virgin Islands)	Investment holding	74.81	116
ThinSoft Pte Ltd (Singapore)	Sales and distribution of Thin Computing solutions and related products	74.81	1,122,150
ThinSoft (USA) Inc (U.S.A.)	Development and distribution of Thin Computing solutions and related products	74.81	0.01
Zhuhai Costa Del Sol Club Management Co. Ltd (PRC)	Club and hotel management company	75	1,511,385

**IPC CORPORATION LTD**  
(Company Registration Number: 198501057M)  
(Incorporated in the Republic of Singapore)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of the Company will be held at 23 Tai Seng Drive, #06-00, Singapore 535224 on 30 November 2007 at 2 p.m. for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an Ordinary Resolution, with or without any amendment:

**ORDINARY RESOLUTION**

Change in Core Business of the Company to include the Property Business

That:-

- (a) approval be and is hereby given for the change by the Company of its core business to include property investment and property development which includes property related investment, including the holding of investment in property related assets, trading in and development of property (the "**Property Business**"), and other related activities to the Property Business in Singapore and elsewhere;
- (b) the Company be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares/interests in any entity that is in the Property Business on such terms and conditions as their respective directors deem fit, and such directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts and things as they or he deem desirable, necessary or expedient or give effect to any such investment, purchase, or acquisition, disposition; and
- (c) the Directors and each of them be and are hereby authorised to do all acts and things as they or he deem desirable, necessary or expedient to give effect to the matters referred to in paragraphs (a) and (b) of this resolution as they or he may in their or his absolute discretion deem fit in the interests of the Company.

BY ORDER OF THE BOARD

Ngiam Mia Hai Bernard  
Company Secretary

15 November 2007

**Notes:**

- 1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies (or in the case of a corporation, appoint its authorised representative or proxy) to attend and vote in his stead.
- 2. A proxy need not be a member of the Company.
- 3. The Proxy Form must be lodged at the Company's registered office at 23 Tai Seng Drive, #06-00, Singapore 535224, not less than 48 hours before the time fixed for holding the Meeting.

**IPC CORPORATION LTD**  
 (Company Registration Number: 198501057M)  
 (Incorporated in the Republic of Singapore)

**EXTRAORDINARY GENERAL MEETING  
 PROXY FORM**

**IMPORTANT**

1. For investors who have used their CPF monies to buy shares in the capital of IPC Corporation Ltd, this Circular is forwarded to them at the request of their 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, \_\_\_\_\_ NRIC/Passport /  
 \_\_\_\_\_ Company Registration No. \_\_\_\_\_  
 of \_\_\_\_\_

being a member/members of **IPC CORPORATION LTD** hereby appoint:-

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing \*him/her, the Chairman of the Meeting as \*my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at 23 Tai Seng Drive, #06-00, Singapore 535224 on 30 November 2007 at 2 p.m. and at any adjournment thereof. \*I/We direct \*my/our \*proxy/proxies to vote for or against the resolution to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the \*proxy/proxies will vote or abstain from voting at \*his/their discretion, as \*he/they will on any other matter arising at the Meeting.

ORDINARY RESOLUTION	For	Against
To change the Core Business of the Company to include the Property Business		

*(Please indicate with a cross [X] in the space provided whether you wish to exercise all your votes to be cast for or against the Resolution as set out in the Notice of the Meeting. Alternatively, please indicate the number of votes as appropriate.)*

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2007.

Total No. of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
 Signature of Shareholder(s)/Common Seal of  
 Corporate Shareholder

\* Delete where applicable

**IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THE PROXY FORM**

**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), you should insert that number of Shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have shares entered against your name in the Depository Register and 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, this form of proxy will be deemed to relate to all the shares held by you.
2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 23 Tai Seng Drive, #06-00, Singapore 535224, not less than 48 hours before the time set for the meeting.
4. 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.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.
6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
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.
8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.