

# **IPC CORPORATION LTD**

## **ANNOUNCEMENT**

### **PROPERTY DEVELOPMENT IN BANGKOK, THAILAND**

#### **A CONDOMINIUM DEVELOPMENT PROJECT WITH A BUILD-UP AREA OF APPROXIMATELY 58,481 SQM**

The Board of Directors of IPC Corporation Ltd (the "Company") would like to announce that the Company has on 18 February 2008 entered into a Project Agreement and a Consulting Service Agreement (collectively the "Agreements") with Sky Cliff Limited ("SCL"), a company incorporated in the Kingdom of Thailand and a subsidiary of Tongkah Harbour Public Company Limited ("THL"), for a condominium development project in Bangkok, Thailand (the "Project") on the Project Land (as defined below).

SCL is the owner of a freehold land totaling about 5,447 sqm (the "Project Land") located on Ratchadapisek Road, Bangkok, Thailand. The Project, subject to planning approval is proposed to be a 29-storey residential condominium with about 629 apartments. The total gross floor area (GFA) of the Project will be approximately 58,481 square meters.

The Project is scheduled for construction in early Q2 2008, subject to regulatory approval, and is expected to complete within 24 months.

Under the Agreements, the Company and or its subsidiary (the "Group") will render the following to SCL in connection with the Project:

- a) providing consulting services to SCL in connection with the design & development, finance, construction and sales & marketing of the Project; and
- b) procuring a financial line of credit of Baht 250 million (or about S\$10.6 million) ("Credit Line") for SCL to be used for working capital in connection with the construction of and development of the Project (the "Funding").

In order to secure the Funding, the Company will pledge an equivalent of Baht 250 million ("Pledge") with such financial institution which will issue a banker's guarantee as security for the Credit Line.

In consideration for the Company providing the Pledge, SCL shall procure:

- a) a corporate guarantee from THL in favour of the Company to fully indemnify the liabilities of the Company for any losses, liabilities and damages suffered by the Company in relation to the procurement of the Credit Line; and
- b) a fixed and floating charge on SCL.

The obligations of the Group to perform under the Project Agreement are conditional on the fulfillment of the following on or prior to 30 April 2008 (unless otherwise agreed between the parties):

- (a) SCL having delivered to the Company a development license for the Project which has been extended for at least 1 (one) year from 14 January 2008 on the existing terms and conditions;
- (b) SCL having delivered to the Company a Letter of Offer from a local bank in Thailand to grant the Funding and a construction loan of up to 70 per cent of the construction cost of the Project on such conditions and terms acceptable to both the Company and SCL;
- (c) the Company having been satisfied in its absolute discretion with the results of its due diligence investigations (whether legal, financial, technical or otherwise) on SCL and/or the Project;
- (d) there being no infringement in respect of any law, order, rule, regulation, directive, policy or request (whether or not having the force of law) promulgated or issued by the legislative, executive, judicial or regulation body by SCL or the carrying out of any transaction contemplated by, or the compliance with the terms of the Project Agreement; and
- (e) SCL having obtained any and all approvals and consents necessary or appropriate for consummation of the transactions contemplated by the Project Agreement.

Under the Agreements, the Group shall be entitled a monthly consulting service fee of Baht 2 million for a period of 24 months and 50 per cent share of the profit from the Project on completion.

The Pledge shall be from internal resources of the Company and is approximately 19.1 per cent of the market capitalisation of the Company as at 15 February 2008.

The monthly consulting service fee of Baht 2 million payable to the Group shall contribute positively to the Group's financial performance in the current financial year 2008.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in this transaction and SCL and THL are non-related parties to the Company or its directors.

The Company shall make the necessary announcement on matters relating to the Project in due course.

By Order of the Board  
IPC Corporation Ltd

Ngiam Mia Hai Bernard  
Executive Director

18 February 2008