



2007 Annual Report



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IPGA LTD
ABN 99 126 188 538

2007 ANNUAL REPORT

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2007 Financial Report

This 2007 Financial Report is a summary of our activities and financial position.

Reference in this Report to a "year" is to the financial period ended 31 December 2007 unless otherwise stated. All figures are expressed in Australian currency unless otherwise stated.

Revenues and expenses are recognised net of the amount of Goods and Services Tax.

A glossary of terms used in this Report is contained at the end of this document.

Key Highlights

AS OF THE END OF 2007 –

- Our listings and contents are available to over 750,000 unique users on a monthly basis (450,000 unique users via distribution partners and 300,000 unique users via IPGA sites)
- Over 300,000 unique users, 15 million page views and 100,000 property listings on a monthly basis via IPGA sites
- Over 2,000 real estate agents / agencies as paying customers
- Over 100 property developer clients advertising on the IPGA network
- Over 30,000 registered members
- Acquisition of Info-Tools Pte Ltd, a leading online property information company in Singapore
- Acquisition of GoHome.com.hk now gives us a leadership position in Hong Kong
- IPGA is the leading network in Malaysia, Singapore, Hong Kong and The Philippines

Financial Highlights

- Recorded profit after tax of 188% in excess of forecast
- Nil debt
- Strong cash position

Company Profile

IPGA Ltd is an Asian based company which owns a leading network of Asian property websites under the iProperty.com umbrella brand. The Company is focused on developing and operating Internet-based real estate portals with other complementary offerings in Asian markets. It currently operates consumer and business online property portals in the markets of Singapore, Malaysia, Hong Kong and Philippines, with a Heads of Agreement in place to acquire an online property portal in Thailand. With further expansion planned, IPGA Ltd is continuously working to capitalise on its market-leading positions and the rapidly growing online property advertising market throughout the region.

Message from the Chairman

Dear Fellow Shareholder,

On behalf of the Board of Directors, I am pleased to present to you the inaugural Annual Report of IPGA Ltd for the 2007 financial year.

Since the company's listing in September 2007, IPGA has moved to aggressively expand its business. Our progress has been both very rapid and very exciting.

In late 2007, IPGA acquired Hong Kong's leading online property group, the GoHome Network, allowing us an extremely strong footprint in North Asia and a dominant position in the Hong Kong online property market. IPGA's management team has also worked hard to put in place new structures and initiatives in both Singapore and Malaysia that are designed to fuel organic growth in IPGA's core businesses. We have also made significant steps towards completing other strategic partnerships and acquisitions across the region.

Towards the end of 2007, IPGA also acquired the domain name "iProperty.com" to operate as the umbrella brand for all the businesses across the region. This allows us to focus on the building of one core brand across all countries, resulting in more efficient marketing efforts and simpler communication strategies, as well as a clarity and unity of purpose over diverse geographic markets.

Subsequent to the end of 2007, IPGA has entered into an agreement to acquire Keagen Group Sdn Bhd, one of the region's leading property exhibitions companies. This acquisition will see IPGA own and operate property exhibitions in Hong Kong, Singapore and Malaysia in 2008, and represents a powerful step in developing our relationships with property developers, buyers and sellers, as well as an excellent way to market our iProperty.com websites to consumers.

IPGA has also entered into a strategic partnership with MSN to power their property channels in both Singapore and Malaysia. We are very excited by this partnership as it allows us direct access to millions of MSN users in these markets.

All of these excellent achievements have been made possible due to the hard work, diligence and dedication of all the staff of IPGA and its related companies.

We look forward to the excitement, challenges and success that 2008 will inevitably bring and to your continued support.



P Grove
Executive Chairman

CEO's Review of Operations

1. GROUP OVERVIEW

Whilst we have certainly faced challenges since IPGA's listing in September 2007, we are extremely fortunate to have had, what we consider an extremely successful period of operation. We have ended the year profitably while allocating resources in order to move fast to consolidate our position in the markets in which we operate, as well as to expand the Company's offerings to new countries across the region.

Online property markets in Asia are at an early stage of development, although their potential and growth are both clear and exciting. The company has witnessed strong growth over historical results and we are excited by the continued movement of property advertising funds and efforts into the online medium. In each market in which the company operates, we have seen significant progress and we are working to position our businesses to not only take advantage of this growth, but to remain the clear leader in each market.

2. GROUP RESULTS

We are pleased to report a profit for the year that is in excess of our forecast, and even more pleased that this has been achieved whilst executing an expansionary strategy across a number of markets.

While total revenue fell just short of forecast as a result of the postponement of a planned property exhibition event, the shortfall has been made up through the excellent performance and growth in other revenue categories.

GROUP INCOME STATEMENT FOR THE FINANCIAL PERIOD

Period ending December 2007	Actual \$'000	Forecast per prospectus \$'000	Difference %
Revenue			
Sales revenue	568	597	(4.9)
Other revenue	108	96	12.5
Total	676	693	(2.5)
EBITDA	(72)	(86)	(16.3)
Less Depreciation	(10)	(2)	400.0
EBIT	(82)	(88)	(6.8)
Add Interest Income	108	96	12.5
Net profit before tax attributable to members	26	8	225.0
Income tax expense	(3)	0	N/A
Net profit after tax attributable to members	23	8	188
Earnings per share (basic) (cents)	0.026	N/A	
NTA per share (cents)	1.85	N/A	

MALAYSIA

We have experienced a year of consolidation of our leadership position in the market. The number of agents advertising with our service has grown by 249%, such that now we are fortunate to have the support and custom of well over 1,000 real estate agents in the country. We have also had a very successful year in the media business where we now have over 50% of Malaysia's leading property developers as our advertising clients. Total advertising revenues grew 315%.

SINGAPORE

In Singapore, the launch of the consumer-targeted property website at iProperty.com Singapore has resulted in the signing of over 830 real estate agents as clients, most of whom are also clients of the company's well-established B-to-B real estate market information service. The B-to-B service itself experienced revenue growth of 23%. As we ramp up the sales and marketing efforts in relation to the consumer business in Singapore through 2008, such early conversion rates certainly make us feel buoyed by the potential.

PHILIPPINES

In the Philippines, we have experienced a 64% growth in number of agents subscribing to our services to end the year with 370 agent subscribers. iProperty.com Philippines' leading position in the market continues to consolidate.

HONG KONG

In Hong Kong, the acquisition of the market-leading GoHome Network of websites has been an extremely exciting step. Not only have we acquired the clear leader in the lucrative Hong Kong market with over 200 real estate agency clients, we have also established a solid footprint in North Asia. We are extremely excited at the prospects this new addition to our group of companies brings.

3. POST LISTING ACQUISITIONS

Overview

It has been a busy year in terms of acquisitions and IPGA has assessed a large number of acquisition targets around the region. Our acquisition strategy is designed with the view of further establishing the company as the leading online property media company in the region.

GoHome.com.hk Co Ltd (acquired November 2007)

IPGA acquired 100% ownership of the GoHome Network for approximately \$1.513 Million in cash.

Established in 1999, the GoHome Network is the leading group of property websites in Hong Kong with over 200 real estate agencies as clients and enormous market share in terms of users. We are extremely excited about the tremendous possibilities this acquisition brings.

4. 2008 TO BE A YEAR OF INTEGRATION, INNOVATION AND GROWTH

a) Integration and creating an exceptional culture

We are striving to create an environment across all of the Company's operations that will not only achieve operational efficiencies and economies of scale, but one that can withstand the pressures of our fast-growing business. The bringing together of various companies into the IPGA group has already seen value creation via knowledge transfer, technology adaptation and additional management resources and expertise.

b) Creating innovative and unique media / service offerings for each market

We appreciate that the markets in which we operate are culturally diverse. The property markets in each country are also unique. As such, we believe that there is no "one size fits all" business model that will work in all markets.

However, real estate markets are often cross-border in nature, with buyers and sellers often resident of different countries within the region. Therefore, our regional network does allow us to better serve the needs of our users, clients and partners by way of a truly integrated media and service offering across markets.

Online consumer property media remains our core focus, although it is supplemented in individual markets by different offerings, including B-to-B listings services, property exhibitions and traditional media.

c) Adding further value to our clients and users

We continue to strive to nurture the exceptional client relationships we have managed to build in various markets and will continue to work to add value to their business. As we continue to build scale, it is our intention to ensure that our ability to serve our clients will also be enhanced.

d) Developing the region's leading online property brand

We believe that the power and recognition of the iProperty.com brand is extremely important to the Company's success. We intend to diligently work to build increasing brand awareness and equity, and to leverage our sales and marketing efforts in aid of such development. It is our goal to make iProperty.com a household brand.

We are also pleased to have announced our partnership with MSN in Singapore and Malaysia for the development of co-branded property channels for the MSN websites in each country. Also, our partnership with Yahoo! in Hong Kong, through which we power their property channel, is entering its third year. These activities, coupled with continuing efforts in both online and more traditional marketing, seek to establish iProperty.com as *the* place to go when looking for property in the Asian region.

5. FURTHER STRATEGIC ACQUISITIONS

Through 2008, IPGA will continue to seek acquisitions in the following areas of strategic interest:

- Online property classified websites that are or have the potential to be the leader in a market with substantial size in terms of property advertising, internet traffic, internet users and/or paying customers.
- Online property media businesses with business models or unique technology that we will be able to use to reduce technology development lead time and/or increase profitability in other markets in which we operate.
- Offline property media companies, such as property magazine publishers or property exhibition organizers with a large client base, to which we can add significant value by incorporating an online business model or gain substantial benefit by leveraging on the relationship.

In general, the Company's aim is to acquire businesses which:

- Hold a leadership position in a strategic market
- Assist the Company to consolidate leadership positions in existing markets
- Offer synergies and monetization opportunities in other markets in which we operate

6. OUTLOOK

IPGA will continue to pursue its vision of becoming the leading online property media company in Asia. Through 2008, the Company will drive organic growth across its countries of operation and strive to realize the potential of both its existing and future acquisitions.

It is our belief that IPGA has the structures in place to maximise the value of its activities and broaden its service and geographic reach through both acquisitions and organic growth.

7. IPGA TEAM

I would like to take this opportunity to express my gratitude to all of our team members. Their dedication and belief in what it is that we are intending to achieve is inspiring.

I am extremely proud of what we have achieved in so short a space of time, although I am certain that even greater achievements lie before us in the immediate future. These are exciting times for IPGA and we have big, yet eminently achievable plans for our business. We intend to lead all markets in which we operate and to over-deliver on our service to clients, partners and users alike.

I would also like to thank all our shareholders for their continued support. We look forward to exceeding your expectations in the months and years to come.



Ken Tsurumaru
Chief Executive Officer

Corporate Governance Statement

In August 2007, the ASX Corporate Governance Council released the second edition of the ASX Corporate Governance Principles and Recommendations (ASXCGPR) which replaces the ASX Best Practice Recommendations issued in March 2003. This is to ensure that the Principles and Recommendations remain relevant to the Australian business and investment communities, taking into account local and international developments, and continue to reflect international best practice. These recommendations are guidelines designed to produce an efficiency, quality or integrity outcome. The recommendations are not prescriptive so that if a company considers that a recommendation is inappropriate having regard to its particular circumstances, the company has the flexibility not to follow it. When a company has not followed all the recommendations, the annual report must identify which recommendations have not been followed and give reasons for not following them. In this respect, the Directors of IPGA have evaluated with due care the situation of IPGA and have strived to comply, to the best possible extent, with the guidelines laid down.

The Directors recognise the need for a high standard of behaviour and accountability and accordingly support good corporate governance practices. In general, the Board considers that adequate measures have been taken in the areas of board structure and responsibility, timely and adequate disclosure in the best interests of shareholders, minimizing risk by reinforcing internal controls as well as overall compliance with the ASX Listing Rules.

On self-evaluation of the extent to which IPGA has followed the ASXCGPR, the Board is of the opinion that, subject to certain departures which is not justified for adoption due to the nature and scale of IPGA's activities and size of the Board, our policies and practices are in compliance with the ASXCGPR. Details of the extent to which IPGA has followed the ASXCGPR have been included at the end of this statement.

1. Board of Directors – Role and Responsibilities

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the overall corporate governance of the Company, and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole. The Board also ensures that the Company complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the final responsibility for the successful operations of the Company.

Where the Board considers that particular expertise or information is required, which is not available from within the members of the Board, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board. Without intending to limit the general role of the Board, the principal functions and responsibilities of the Board include the following:

- Formulation and approval of the strategic direction, objectives and goals of the Company;
- The prudential control of the Company's finances and operations and monitoring the financial performance of the Company;
- The resourcing, review and monitoring of executive management;
- Ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- The identification of significant business risks and ensuring that such risks are adequately managed;
- The timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market;
- The establishment and maintenance of appropriate ethical standards.

2. Board of Directors – Compositions, Structure and Process

The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given the current size, scale and nature of the Company's activities.

Details of the Directors are found in the Directors' Report.

2.1 SKILLS, KNOWLEDGE AND EXPERIENCE

Directors are appointed based on the specific corporate and governance skills and experience required by the Company. The Board should include Directors with a relevant blend of personal experience in accounting and finance, law, financial and investment markets, financial management and public company administration, and Director-level business or corporate experience, having regard to the scale and nature of activities of the Company.

2.2 NON-EXECUTIVE DIRECTORS

Four of the five Directors are Non-Executive Directors.

2.3 CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board.

Patrick Grove has been appointed the Executive Chairman of the Company. Kensuke Tsurumaru has been appointed Chief Executive Officer of the Company and is responsible and accountable to the Board for the Company's management.

2.4 COMPANY SECRETARY

The Company Secretary is appointed by the Board and is responsible for developing and maintaining the information systems and processes that are appropriate for the Board to fulfill its role and is responsible to the Board for ensuring compliance with Board procedures and governance matters. The Company Secretary is also responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. The Company Secretary is Cynthia Chan.

2.5 COMMITTEES OF THE BOARD

To assist in the execution of its corporate governance responsibilities, the Board has established 3 committees, the Audit & Risk Committee, the Nomination & Remuneration Committee and the Mergers & Acquisitions Committee. Requirements for Board committees are reviewed regularly. All committees operate principally in a review or advisory capacity, except in cases where powers are expressly conferred on or delegated to a committee by the Board.

2.5.1 AUDIT & RISK COMMITTEE

The Board has established an Audit & Risk Committee that operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes.

This includes the safeguarding of assets, the maintenance of proper accounting records, the monitoring of risks and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the economic entity to the Audit & Risk Committee. The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial statements.

The Committee comprises of three Non-Executive Directors. The members of the Audit & Risk Committee during the year were Paul Choiselat (chair), Samuel Weiss and Dato' Larry Gan. Full details and qualifications of the members are contained in the Directors' Report. All members are experienced in executive management, public company management and finance. The Chair of the Audit & Risk Committee is not the chairman of the Board. The external auditors, the CEO and CFO are invited to Audit & Risk Committee meetings at the discretion of the Committee. The Committee did not meet during the year but audit and risk matters were discussed by the full Board at a number of meetings during the year.

The Audit & Risk Committee is also responsible for directing and monitoring the internal audit function, nomination of the external auditor, monitoring the independence of the external auditor and reviewing the adequacy of the scope and quality of the annual statutory audit or review. The Committee reviews the performance of the external auditors on an annual basis.

2.5.2 REMUNERATION & NOMINATION COMMITTEE

The Remuneration & Nomination Committee is responsible for reviewing the remuneration of Directors and senior management, evaluation of senior management and makes recommendations to the Board on these matters. This role also includes responsibility for recommendations to the Board on share and option schemes, incentive performance packages, superannuation entitlements, composition of the Board and the process and criteria for selection of new directors. The Committee also has the responsibility to oversee the Company's general remuneration strategy.

Remuneration levels are competitively set to attract the most qualified and experienced Directors and key management personnel. The Committee is authorized to obtain independent advice on the appropriateness of remuneration packages. The Committee comprise of Samuel Weiss (chair) and Hugh Morrow. The Committee did not meet during the year.

Details of the amount of remuneration, and all monetary and non-monetary components, for each of the 5 highest-paid (non-Director) key management personnel and all Directors during the year ending 31 December 2007 are contained in Table A of the remuneration report included in the Directors' Report. Termination entitlements for key management personnel, if any, are contained in Table A also.

Non-Executive Directors are remunerated by way of fees and shares, and are not provided with retirement benefits.

2.5.3 MERGERS & ACQUISITIONS COMMITTEE

The Mergers & Acquisitions Committee is responsible for guidance and overseeing acquisition activities including identifying targets, conduct of the due diligence process and all related financing issues including raising equity and debt. The Committee comprise of Paul Choiselat (chair), Patrick Grove, Hugh Morrow and Dato' Larry Gan.

2.6 INDEPENDENCE

An independent Director, in the view of the Company, is a Non-Executive Director who:

- Is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- Has not previously been employed in an Executive capacity by the Company, or been a Director after ceasing to hold any such employment;
- Within the last three years has not been a principal of a material professional adviser or a material consultant to the Company, or an employee materially associated with a service provider;
- Is not a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- Has no material contractual relationship with the Company other than as a Director of the Company;
- Has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- Is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Samuel Weiss, Dato' Larry Gan and Hugh Morrow are regarded as Independent Directors. If the Company's activities increase in size, nature and scope the size of the Board will be reviewed periodically and the optimum number of Directors required for the Board to properly perform its responsibilities and functions.

2.7 CONFLICTS OF INTEREST

To ensure that Directors are at all times acting in the interests of the Company, Directors must:

- Disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- If requested by the Board, within seven days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself or herself from the room when Board discussion and/or voting occurs on matters about which the conflict relates (save with the approval of the remaining Directors and subject to the Corporations Act).

2.8 RELATED PARTY TRANSACTIONS

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction. The Company also discloses related party transactions in its financial report as required under relevant Accounting Standards.

2.9 SHARE DEALINGS AND DISCLOSURES

The Company's Share Trading Policy regarding Directors, Executives and employees dealing in its securities, is set by the Board. The Board restricts Directors, Executives and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices. Executives, employees and Directors are required to consult the Company Secretary (and in certain circumstances the Company Secretary may elevate the matter to the Chairman of the Board), prior to dealing in securities in the Company or other companies in which the Company has a relationship.

Dealings are not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

2.10 BOARD NOMINATIONS

The Board will consider nominations for appointment or election of Directors that may arise from time to time having regard to the corporate and governance skills required by the Company and procedures outlined in the Constitution and the Corporations Act.

2.11 TERMS OF APPOINTMENT AS A DIRECTOR

The current Directors of the Company have been appointed until they are either removed (which will include the circumstances where the Director is not re-elected) or resign. The Constitution of the Company provides that a Director may not retain office for more than three calendar years or beyond the third annual general meeting following his or her election, whichever is longer, without submitting himself or herself for re-election. One third of the Directors must retire each year and are eligible for re-election. The Directors who retire by rotation at each annual general meeting are those with the longest length of time in office since their appointment or last election.

2.12 PERFORMANCE REVIEW AND EVALUATION

It is the policy of the Board to ensure that the Directors and Executives of the Company be equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed. Although the Company is not of a size to warrant the development of formal processes for evaluating the performance of its Board, individual Directors and Executives, there is on-going monitoring by the Chairman and the Board. The Chairman also speaks to Directors individually regarding their role as a Director.

2.13 MEETINGS OF THE BOARD

The Chairman and Company Secretary will generally schedule monthly formal Board meetings. In addition, the Board meets whenever necessary to deal with specific matters requiring attention between scheduled monthly meetings. Circulatory Resolutions are also utilised where appropriate either in place of or in addition to formal Board meetings. Board meetings are held predominantly by telephone conferencing as not all Directors are resident in the one city. However, the Board will convene face to face meetings from time to time as is appropriate based on the particular items of business for consideration. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company. It is recognised and accepted that Board members may also concurrently serve on other boards, either in an executive or non-executive capacity.

2.14 INDEPENDENT PROFESSIONAL ADVICE

Subject to prior consultation with the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfill their duties and responsibilities as Directors.

2.15 ACCESS TO COMPANY INFORMATION AND CONFIDENTIALITY

All Directors have the right of access to all relevant Company books and to the Company's Executive Management. In accordance with legal requirements and agreed ethical standards, Directors and Executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

2.16 NOMINATION OF NEW DIRECTORSHIPS

The primary vehicle for the effective management of director nominations will be the Remuneration & Nomination Committee appointed by the Board.

The responsibilities assumed by the Remuneration & Nomination Committee will include:

- Devising criteria for Board membership, regularly reviewing the need for various skills and experience of the Board and identifying specific individuals for nominations as Directors; and
- Oversight of the Board and Executive succession plans.

2.17 DIRECTOR'S DEEDS

The Company has also entered into a Deed of Indemnity, Insurance and Access with each of the Directors to regulate certain matters between the Company and each Director, both during the time the Directors hold office and after the Director ceases to be an officer of the Company (or wholly owned subsidiaries).

3. Remuneration Policy

The fees and emoluments paid to Directors will be approved in advance by Shareholders. The salary and emoluments paid to officers will be approved by the Remuneration & Nomination Committee. Consultants will be engaged as required pursuant to Consultancy Service Agreements. The Company will ensure that fees, salaries and emoluments will be in line with general standards for publicly listed companies of the size and type of the Company and that they will not be excessive. All salaries of Directors and statutory officers will be disclosed in the Annual Report of the Company each year.

4. Code of Conduct and Ethical Standards

The Company has adopted a formal Code of Conduct that guides compliance with all levels of legal and other obligations to stakeholders. The Code is focused on ensuring that all Directors, Executives, and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, striving at all times to enhance the reputation and performance of the Company.

5. Internal Control and Risk Management

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk and has established a separate Audit and Risk Management Committee which is governed by a separate Board Charter.

6. Communications to Market and Shareholders

The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's state of affairs and has adopted a Shareholder Communication Policy. The Policy provides that information will be communicated to shareholders and the market through:

- The Annual Report which is distributed to shareholders (usually with the Notice of Annual General Meeting);
- The Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;
- The Half-Yearly Directors' and Financial Reports;
- Quarterly Activities and Cash Flow Reports; and
- Other announcements released to ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to Shareholders.

The Company will actively promote communication with shareholders through a variety of measures, including the use of the Company's website and email. The Company's reports and ASX announcements will be available for viewing and downloading from its website: www.ipgalimited.com or the ASX website: www.asx.com.au under ASX code "IPP". The Company will also maintain an email list for the distribution of the Company's announcements via email in a timelier manner.

7. Continuous Disclosure to ASX

The Board has adopted a Continuous Disclosure Policy and has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules, the Company will notify the ASX promptly of information:

- Concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- That would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Compliance With The ASX Corporate Governance Principles and Recommendations

The extent to which IPGA has followed the ASXCGPR are as follows:

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	Compliance	Corporate Governance Statement (CGS) References/Comments
1.1 Formalise and disclose the functions reserved to the Board and those delegated to management.	Yes	1, 2
1.2 Formalise and disclose the process for evaluating the performance of management.	Yes	2.5.2, 2.12
1.3 Provide the information indicated in Guide to reporting on Principle 1.	Yes	Annual Report Website CGS
PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE	Compliance	Corporate Governance Statement (CGS) References/Comments
2.1 A majority of the Board should be independent directors.	Yes	2.6
2.2 The Chairperson should be an independent director	No	The Board believes the interests of shareholders are best served with Patrick Grove's appointment as Chairperson as he has the appropriate skills and experience for the position.
2.3 The roles of chairperson and chief executive officer should not be exercised by the same individual	Yes	2, 2.3
2.4 The Board should establish a nomination committee	Yes	2.5.2, 2.16

2.5 Formalise and disclose the process for evaluating the performance of the Board, its committees and individual directors	Yes	2.5.2, 2.12
2.6 Provide the information indicated in Guide to reporting on Principle 2.	Yes	Annual Report Website CGS
PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING	Compliance	Corporate Governance Statement (CGS) References/Comments
3.1 Establish a Code of Conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to: <p>3.1.1 The practices necessary to maintain confidence in the Company's integrity.</p> <p>3.1.2 The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders.</p> <p>3.1.3 The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.</p>	Yes	4
3.2 Disclose the policy concerning trading in Company securities by Directors, officers and employees.	Yes	2.9
3.3 Provide the information indicated in Guide to reporting on Principle 3.	Yes	Annual Report Website CGS
PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING	Compliance	Corporate Governance Statement (CGS) References/Comments
4.1 The Board should establish an audit committee.	Yes	2.5.1, 5
4.2 Structure the audit committee so that it consists of: <ul style="list-style-type: none"> • Only non-executive directors. • A majority of independent directors. • An independent chairperson, who is not chairperson of the board. • At least three members 	Yes	2.5.1, 5
4.3 The audit committee should have a formal charter.	Yes	5

4.4 Provide the information indicated in Guide to reporting on Principle 4.	Yes	Annual Report Website CGS
PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE	Compliance	Corporate Governance Statement (CGS) References/Comments
5.1 Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	Yes	7
5.2 Provide the information indicated in Guide to reporting on Principle 5.	Yes	Annual Report Website CGS
PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS	Compliance	Corporate Governance Statement (CGS) References/Comments
6.1 Design and disclose a communications strategy for promoting effective communication with shareholders and encouraging participation at general meetings.	Yes	6
6.2 Provide the information indicated in Guide to reporting on Principle 6.	Yes	Annual Report Website CGS
PRINCIPLE 7: RECOGNISE AND MANAGE RISK	Compliance	Corporate Governance Statement (CGS) References/Comments
7.1 The Board or appropriate Board committee should establish and disclose policies on risk oversight and management.	Yes	2.5.1, 5
7.2 Management to design and implement a risk management and internal control system to manage the Company's material business risks. The Board to disclose that management has reported to the Board in writing that: <ul style="list-style-type: none"> The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects. 	Yes	2.5.1, 5

<p>7.3 The Board to disclose that the chief executive officer (or equivalent) and the chief financial officers (or equivalent) have provided to the board in writing that:</p> <ul style="list-style-type: none"> The declaration provided in accordance with Section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks. 	Yes	2.5.1, 5
<p>7.4 Provide the information indicated in Guide to reporting on Principle 7.</p>	Yes	Annual Report Website CGS
<p>PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY</p>	<p>Compliance</p>	<p>Corporate Governance Statement (CGS) References/Comments</p>
<p>8.1 The Board should establish a remuneration committee.</p>	Yes	2.5.2, 3
<p>8.2 Clearly distinguish the structure of non-executive directors' remuneration from that of executives.</p>	Yes	Annual Report
<p>8.3 Provide the information indicated in Guide to reporting on Principle 8.</p>	Yes	Annual Report Website CGS

Directors' Report

Your Directors present their report on IPGA Ltd together with the financial statements of the Group, being the Company and its controlled entities, for the year ended 31 December 2007.

The names of the Company's Directors in office during or since the end of the financial year are as follows:

Patrick Grove	Executive Chairman and Director (appointed: 26 June 2007)
Paul G Choiselat	Non-Executive Director (appointed: 2 August 2007)
Samuel Weiss	Non-Executive Director (appointed: 2 August 2007)
Hugh Morrow	Non-Executive Director (appointed: 2 August 2007)
Dato' Larry Gan	Non-Executive Director (appointed: 2 July 2007)
Matthew D Reynolds	Non-Executive Director (appointed: 26 June 2007; resigned: 2 August 2007)
Benjamin J Constance	Non-Executive Director (appointed: 26 June 2007; resigned: 2 August 2007)

Details of Directors of the Company, the Company Secretary, the Chief Executive Officer and the Chief Financial Officer in office at the date of this report, and each of their qualifications, experience and special responsibilities are below.

Patrick Grove CA, B. Comm Age: 32
Executive Director & Chairman

Board member since June 2007 and Executive Chairman since August 2007. Mr Grove is a co-founder of IPGA Ltd. Mr Grove's experience and expertise include mergers and acquisitions and extraction of investment value in high growth, media, new media and technology environments.

Mr Grove has built a number of significant media and internet businesses across Asia and has been independently recognised with numerous international awards, including as a Global Leader of Tomorrow by the World Economic Forum (2001), a New Asian Leader by the World Economic Forum (2003) and as the Australian Chamber of Commerce, Singapore, Young Entrepreneur of the Year (2004). Mr Grove is also the Group CEO, Chairman and major shareholder of Catcha Media Group, one of South East Asia's most dynamic media companies, incorporating publishing, online and event businesses, including Malaysia's largest English language magazine publisher. Catcha Media Group is a major shareholder of IPGA Ltd. Mr Grove is also a member of the Mergers & Acquisitions Committee.

Mr Grove holds an interest in 60,549,310 shares in IPGA Ltd as at the date of this report.

Paul G Choiselat B.Bus (Accounting), Dip.Bus (Marketing), MBA, CPA, FCIS Age: 53
Director (non-executive)

Board member since August 2007. Mr Choiselat has significant experience, primarily in investment, finance, manufacture, healthcare, retail sectors, media and technology. Mr Choiselat currently heads up Beconwood Securities Pty Ltd, his privately owned investment banking business. He has had extensive experience in funds management, underwriting and in venture capital.

He is the Managing Director of Jumbuck Entertainment Ltd, Q Ltd and of the New Zealand listed TRS Investments Ltd. He is a Non-Executive Director of a number of Australian and international private and public investment and trading corporations including Destra Corporation Ltd, and was previously a Non-Executive Director of Healthscope Ltd, Blue Freeway Ltd and Quickflix Ltd. Mr Choiselat is also a member of the Audit & Risk Committee and Mergers & Acquisitions Committee,

Mr Choiselat holds an interest in 11,722,876 shares in IPGA Ltd as at the date of this report.

Dato' Larry Gan FCCA, CA(M) Age: 53
Director (non-executive)

Board member since July 2007. Dato' Gan has extensive experience in the consulting, technology and investment communities across the Asian region. He was previously with Accenture, a global management and technology consulting firm for 26 years until his retirement in December 2004. Larry was a partner for 16 years and held many global leadership roles including Managing Partner for Malaysia, ASEAN, Asia and Corporate Development, Asia Pacific.

Dato' Gan is currently the Chairman of Malaysian listed companies REDtone International Berhad and Cuscapi Berhad. He is also a Director of AmInvestment Group Berhad, AmBank (M) Berhad, AmIslamic Bank Berhad, Tanjong Public Limited Company, MIMOS Berhad and Badan Pengawas Pemegang Saham Minoriti Berhad (Minority Shareholder Watchdog Group). He was previously the Chairman of the Association of Computer Industry Malaysia (PIKOM) and the Vice President of the Association of Asian Oceania Computer Industry Organisation, and was a member of the Ministry of Science and Technology Think Tank, Copyright Tribunal and The Labuan International Financial Exchange Committee in Malaysia.

Dato' Gan is a Chartered Accountant, a Fellow of the Association of Chartered Certified Accountants and a Certified Management Consultant.

Dato' Gan is also a member of the Audit & Risk Committee and Mergers & Acquisitions Committee.

Dato' Gan holds an interest in 80,000 shares in IPGA Ltd as at the date of this report.

Hugh Morrow B. Eng. MBA Age: 42
Director (non-executive)

Board member since August 2007. Mr Morrow has extensive experience in the areas of information technology, organisational behaviour and business strategy consulting, with a focus on investing in and providing strategic advice to a number of for-profit and not-for-profit organizations. He is an Adjunct Professor at Macquarie University where he teaches Social Entrepreneurship and leads the University's Social Benefit Initiative. He also leads the Social Economy Executive Education Network and is a Council member for AusSchool, an independent scholarship fund.

Mr Morrow was previously with the global strategy consulting firm, The LEK Partnership and Westpac Banking Corporation. Mr Morrow also started, grew and successfully sold his own high tech business, XT3.

Mr Morrow has a degree in engineering from the University of Sydney, a Masters of Business Administration from Stanford University and is a Yale University World Fellow.

Mr Morrow is also a member of the Remuneration & Nomination Committee and Mergers & Acquisitions Committee.

Mr Morrow holds an interest in 70,000 shares in IPGA Ltd as at the date of this report.

Samuel Weiss B. Admin. Age: 54
Director (non-executive)

Board member since August 2007. Mr Weiss is Chairman of Altium Limited, Deputy Chairman of GLG Corp Ltd, a Non-Executive Director of Orotan Group Ltd, an independent Director of Canterbury of New Zealand Limited and an independent Director of Open Universities Australia. In recent years, he has also been a corporate advisor to Vsource, a pan-Asian business outsourcing services provider based in Malaysia.

He did his undergraduate degree at Harvard University and received a graduate degree from Columbia University in Business Administration. He is the President of the Harvard Club of Australia, Vice President of The Benevolent Society and a Director The Sydney Festival. He is a Fellow of The Australian Institute of Company Directors and a member of The Sydney Institute.

Mr Weiss is also a member of the Audit & Risk Committee and Remuneration & Nomination Committee.

Mr Weiss holds an interest in 160,000 shares in IPGA Ltd as at the date of this report.

Mr Kensuke Tsurumaru B.Comm
Chief Executive Officer

Chief Executive Officer since August 2007 and is responsible for the day-to-day operations of the IPGA Group. Prior to joining IPGA, Mr Tsurumaru was both a co-founder and the Chief Operating Officer of Catcha Media Group responsible for the operations of the business across four countries including budget management and business plan implementation.

Mr Tsurumaru holds an interest in 24,000 shares in IPGA Ltd as at the date of this report.

Ms Cynthia Chan B.Comm, FINSIA (SA), CSA (Aff)
Company Secretary

Company Secretary since August 2007 and is responsible for the provision of company secretarial support to the Board including corporate governance, continuous disclosure and compliance systems and practices and investor communications. Cynthia holds a Bachelor of Commerce degree and a Diploma in Financial Planning, and is a Senior Associate of the Financial Services Institute of Australasia (FINSIA). Ms Chan has extensive experience as both a Director and Company Secretary of Australian companies. Her specific expertise extends across the corporate finance and legal areas, with a particular emphasis on stock broking, company secretarial services and investments.

Ms Chan is also the Company Secretary of both Jumbuck Entertainment Ltd (ASX: JMB) and TRS Investments Ltd (NZX: TRS).

Ms Chan holds an interest in 150,000 shares in IPGA Ltd as at the date of this report.

Ms May A Chuah CA, B.Comm
CFO

Chief Financial Officer (CFO) since August 2007, Ms Chuah holds a Bachelor of Commerce degree and is a member of the Institute of Chartered Accountants in Australia. Ms Chuah has extensive experience in the corporate/finance area extending to areas of Initial Public Offerings and Mergers and Acquisitions. Ms Chuah is responsible for the management of the Company's finances and the fulfilment of its reporting obligations.

Ms Chuah is also the CFO and Company Secretary of Q Ltd (ASX: QXQ).

Ms Chuah holds an interest in 256,000 shares in IPGA Ltd as at the date of this report.

DIRECTORS' AND OFFICERS' INDEMNITY

The Company has indemnified each Director of the Group, the Company Secretary and previous Directors and secretaries (Officers) against all liabilities or loss (other than to the Company or a related body corporate) that may arise from their position as Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the Corporations Act. The indemnity stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses, and covers a period of seven years after ceasing to be an Officer of the Company.

The Company has also indemnified the current and previous Directors of its controlled entities and certain members of the Company's senior management for all liabilities and loss (other than to the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the Corporations Act.

The Company has executed deeds of indemnity with each of the Non-Executive Directors.

DIRECTORS' AND OFFICERS' INSURANCE

The Company has paid insurance premiums for one year cover in respect of Directors' and Officers' liability insurance contracts, for Officers of the Company and of its controlled entities. The insurance cover is on standard industry terms and provides cover for loss and liability for wrongful acts in relation to the relevant person's role as an Officer, except that cover is not provided for loss in relation to Officers gaining any profit or advantage to which they were not legally entitled, or Officers committing any criminal, dishonest, fraudulent or malicious act or omission, or any knowing or wilful violation of any statute or regulation.

The insurance does not provide cover for the independent auditors of the Company or of a related body corporate of the Company.

In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premium paid under the contract.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year was in developing and operating internet-based real estate property portals.

REVIEW OF OPERATIONS

A detailed review of operations and the results of those operations is set out in the Chairman's Message and Chief Executive Officer's Report of this annual report.

Except for the matters disclosed, there are, at the date of this report, no other matters or circumstances which have arisen since 31 December 2007 that have significantly affected or may significantly affect:

- (a) the operations in future financial periods subsequent to the financial year ended 31 December 2007, of the Group constituted by the Company and the entities it controls from time to time;
- (b) the results of those operations in future financial periods; or
- (c) the state of affairs, in future financial periods, of the Group.

DIVIDENDS

No dividends have been paid or declared since the start of FY2007 and IPGA Ltd does not propose to pay a dividend for this reporting period.

SHARE ISSUES

During the course of the period, the Company issued shares as follows :-

Month	No. of shares	Amount \$	Issue type
July 2007	60,821,310	100	Shares to Founder and its Employees
July 2007	6,578,190	58,777	Shares to Vendors of Ailligent Sdn Bhd
August 2007	310,000	77,500	Shares to Directors
September 2007	30,000,000	7,500,000	IPO shares
October 2007	4,600,521	1,150,130	Shares to Vendors of Info Tools Pte Ltd – 1 st Tranche
Total	102,310,021	8,786,507	

EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years other than:

- The Company has announced to the market that it has signed a Sale and Purchase Agreement to acquire Keagen Group Sdn Bhd, a property exhibition company in Malaysia with an expected settlement date on 29 February 2008.

FUTURE DEVELOPMENTS

Other than comments on likely developments or expected results of certain of the operations of the Group which are included in the Chairman's Message and the Chief Executive Officer's Report, in the opinion of the Directors, further

information on likely developments in the operations of the Group and the expected results of those operations in future financial periods have been omitted as the Directors believe it would be likely to result in unreasonable prejudice to the Group's interests if such further information were included in this report.

BUSINESS STRATEGIES AND PROSPECTS

Information on the Group's business strategies and its prospects for future financial years are included in the Chairman's Message and the Chief Executive Officer's Report. In the opinion of the Directors, further information on the Group's business strategies and its prospects for future financial years would, if included in this report, be likely to result in unreasonable prejudice to the Group and has accordingly been omitted.

ENVIRONMENTAL ISSUES

The Company takes a responsible approach in relation to the management of environmental matters. All significant environmental risks have been reviewed and the Group has no legal obligation to take corrective action in respect of any environmental matter. The economic entity's operations are not subject to significant environmental regulation under the laws of the Commonwealth and State.

MEETINGS OF DIRECTORS

The table below shows the number of Directors' meetings held (including meetings of Board committees) and number of meetings attended by each of the Directors of the Company during the year:

	DIRECTORS' MEETINGS		COMMITTEE MEETINGS					
			AUDIT & RISK COMMITTEE		REMUNERATION & NOMINATION COMMITTEE		MERGERS & ACQUISITIONS COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Mr P Grove	8	8	-	-	-	-	2	2
Mr P G Choiselat	8	8	N/A*	N/A*	-	-	2	2
Dato' L Gan	8	7	N/A*	N/A*	-	-	2	2
Mr H Morrow	8	6	-	-	N/A*	N/A*	2	2
Mr S Weiss	8	7	N/A*	N/A*	N/A*	N/A*	-	-

*The Committees did not meet during the year.

DIRECTORS' AND EXECUTIVES' INTERESTS

The tables below show the interests of each Director (as notified to the ASX in accordance with section 205G(1) of the Corporations Act) and executive in the issued ordinary shares of the Group as at the date of this report.

	Fully Paid Ordinary Shares
Mr P Grove	60,549,310
Mr P G Choiselat	11,722,876
Dato' L Gan	80,000
Mr H Morrow	70,000
Mr S Weiss	160,000
Mr K Tsurumaru	24,000
Ms C Chan	150,000
Ms M Chuah	256,000

OPTIONS

No options were granted over unissued shares by the Company during or since FY2007.

DIRECTORS' INTERESTS IN CONTRACTS

No material contracts involving Directors' interests were entered into since the end of the previous financial year, or existed at the end of the year, other than those transactions detailed in Note 27 to the Financial Statements.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Audit Committee (Board of Directors prior to the establishment of the Audit Committee) prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

The following fees for non-audit services were paid to the external auditors during FY2007:

Assisting with due diligence	\$360,867
Other	\$25,000

AUDIT SERVICES

The statement by the Consolidated Entity's external auditors to the members of IPGA Ltd in relation to the auditors' compliance with the independence requirements of the Corporations Act and the professional code of conduct for external auditors, forms part of this Directors' Report and is set out after this Directors' Report.

No person who was an Officer of the Company during the financial year was a Director or partner of the Group's external auditor at a time when the Group's external auditor conducted an audit of the Group.

Remuneration Report

This Remuneration Report forms part of the Directors' Report and outlines the remuneration arrangements for executives and employees of IPGA Ltd, including Specified Directors and Specified Executives in accordance with sections of the AASB 124 "Related Parties Disclosure by Disclosing Entities" and section 300A and Regulation 2M.3.03 of the Corporations Regulations.

Remuneration & Nomination Committee

ROLE

The membership, responsibilities, authority and activities of the Remuneration & Nomination Committee are set out in the Remuneration & Nomination Committee Charter, which has been approved by the Board.

The responsibilities of the Remuneration Committee are to:

- monitor, review and recommend to the Board, as necessary and appropriate:
 - the remuneration, superannuation and incentive policies and arrangements for the Executive Chairman, Chief Executive Officer and key management personnel (ie. those executives who report directly to the Executive Chairman and Chief Executive Officer);
 - the remuneration arrangements for Non-Executive Directors on the Board;
 - the recruitment, retention and termination policies and procedures for the Chief Executive Officer and key management personnel; and
 - key appointments and executive succession planning.
- oversee the Group's general remuneration strategy;
- review the composition of the Board including:
 - the criteria for selection of directors, having regard to the need for the breadth and depth of skills and experience on the Board; and
 - the process for selecting new directors.
- monitor the Group's culture and reputation and review behavioural standards on a regular basis, and report and submit recommendations to the Board.

MEMBERSHIP AND MEETINGS

The following outlines the member composition of the Remuneration & Nomination Committee during the year:

Mr S Weiss (Chairman)
Mr H Morrow

The Remuneration & Nomination Committee currently consists of 2 Non-Executive Directors. Having regard to the number of members currently comprising the Board, the Board considers it appropriate with the current arrangement. This arrangement will be reviewed periodically by the Board to ensure that they continue to be appropriate to the Company's circumstances.

The Executive Chairman and Chief Executive Officer will attend meetings by invitation to assist the Committee in its deliberation except on matters associated with their own remuneration. The Committee members did not meet during the year.

ADVISERS

External specialist remuneration advice is sought on an as-needs basis in respect of remuneration arrangements for Non-Executive Directors of the Board and key management personnel of the Group. General reward advice is sought on an ad hoc basis.

REWARD POLICY

The Company has an established policy for determining the nature and amount of emoluments of Board Members and key management personnel of the Company to align remuneration with the creation of shareholder value. The remuneration structure for the key management personnel, including the Executive Chairman, seeks to emphasise payment for results.

REWARD PHILOSOPHY

The Company's overall philosophy is to manage the remuneration to:

- create an environment that will attract top talent, and where people can be motivated with energy and passion to deliver superior performance;
- recognise capabilities and promote opportunities for career and professional development;
- provide rewards, benefits and conditions that are competitive within the markets in which the Group operates; and
- provide fair and consistent rewards across the Group, which support corporate principles.

In accordance with the ASXCGPR, the structure of Non-Executive Directors and key management personnel remuneration is separate and distinct.

KEY MANAGEMENT PERSONNEL AND EXECUTIVE DIRECTOR REMUNERATION

The Company aims to reward key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Company and:

- Reward key management personnel for achievement of pre-determined key performance indicators;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

The Remuneration for key management personnel and staff will include an annual review using a formal performance appraisal process.

The Remuneration Committee recommends to the Board the level of fixed remuneration each year based on the performance of individuals. In addition, the Committee reviews the performance and the remuneration of the Executive Chairman and recommends to the Board any short-term incentive payments and adjustments to his remuneration.

The remuneration structure is in two parts:

- Fixed remuneration; and
- Variable remuneration.

Fixed Remuneration

Fixed remuneration comprises of payroll salary, superannuation and other benefits. Individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

Variable Remuneration

Comprises of a short term incentive plan and a long term incentive plan.

- Short term incentive plan (STI)
Short term incentives are used to differentiate rewards based on performance on a year by year basis. The principal performance indicator of the short term incentive plan is based on the Company's financial performance and individual achievement of specified goals, for example for achieving progress with growth initiatives. It is intended that key employees and Executive Directors of IPGA will be eligible to participate in the STI program.
- Long term incentive plan (LTI)
IPGA intends to establish an employee option scheme ("Scheme") to provide a long term incentive for employees and Directors of IPGA and to reward sustained superior performance to align all interests more closely with those of IPGA shareholders. It will allow them to participate in IPGA's future growth and give them an incentive to increase profitability and returns to shareholders. It is intended that key employees and Executive Directors of IPGA will be eligible to participate in the Scheme.

EXECUTIVE DIRECTORS' REMUNERATION

The following table summarises the remuneration arrangements for the Executive Chairman and CEO. Details of remuneration of key management personnel and Directors are shown on Table A of this report.

	Mr P Grove	Mr K Tsurumaru
Position	Executive Chairman	Chief Executive Officer
Term of employment agreement	2 years until 18 July 2009	3 years until 18 July 2010
Notice period	6 months	6 months
Total employment cost (TEC)*	\$1.00	\$61,017
Short term incentive	Nil	Nil
Long term incentive	Nil	Nil
Other benefits	Nil	Nil
Termination by executive	6 months	6 months
Termination by Company	6 months	6 months

* A portion of TEC may be taken in the form of packaged benefits (such as a motor vehicle and parking), and is inclusive of fringe benefits tax and employer superannuation contributions.

The Remuneration Committee of the Board will recommend each year, reasonable performance measures and targets for use in assessing each Executive Director's performance. After the end of each financial year, the Remuneration Committee of the Board will review each Executive Director's performance in comparison to these measures and targets. STI targets (as a percentage of TEC) are to be determined annually by the Board, based on the recommendation of the Remuneration Committee, for the coming year. TEC is base remuneration inclusive of superannuation and benefits but excludes leave accrued not taken.

DETAILS OF REMUNERATION

The following table shows details of the nature and amount of each element of the remuneration paid or payable with respect to services provided for the period as Directors of the Company and key management personnel of the Group during the period.

TABLE A

2007	Short-term Employee Benefits				Post Employment Benefits	Other Long Term Employment Benefits	Termination Benefits	Share Based Payment			Total	Performance Bonus as a % of Total Remuneration
	Salary & Fees	Bonus*	Non-monetary	Other	Super-annuation			Equity-Settled		Cash Settled		
								Shares & Units	Options & Rights			
Non Executive Directors												
Mr P G Choiselat	20,000				1,800			20,000			41,800	-
Dato' L Gan	20,000				1,800			20,000			41,800	-
Mr H Morrow	17,500				1,575			17,500			36,575	-
Mr S Weiss	20,000				1,800			20,000			41,800	-
	77,500	0	0	0	6,975	0	0	77,500	0	0	161,975	
Executive Directors												
Mr P Grove	1										1	-
Sub Total	77,501	0	0	0	6,975	0	0	77,500	0	0	161,976	
Executive Officers												
K Tsurumaru	61,017										61,017	-
C Chan	33,108										33,108	-
MA Chuah	15,010										15,010	-
Sub Total	109,135	0	0	0	0	0	0	0	0	0	109,135	
Total	186,636	0	0	0	6,975	0	0	77,500	0	0	271,111	

All Directors and key management personnel are paid in Australian dollars except for Mr K Tsurumaru who is paid MY180,000 Malaysian Ringgit (equivalent to approximately AUD\$61,017).

No retirement benefits were paid or payable to Directors or key management personnel in FY2007.

In addition to remuneration benefits above, the Company paid a premium for a contract insuring all Directors of the Company and specified executives of the Group as officers. It is not possible to allocate the benefit of this premium between individual Directors or specified executives. In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the premium paid under the contract.

NON-EXECUTIVE DIRECTOR REMUNERATION

The following persons were Non-Executive Directors of the Company at 31 December 2007:

Name	Position
Paul G Choiselat	Non-Executive Director
Dato' Larry Gan	Non-Executive Director
Hugh Morrow	Non-Executive Director
Samuel Weiss	Non-Executive Director

REMUNERATION POLICY

The fees paid to Non-Executive Directors on the Board are based on advice and data from the Group's remuneration specialists and from external remuneration advisers. This advice takes into consideration the level of fees paid to Board members of other major Australian corporations, the size and complexity of the Group's operations, the activities of the Group and the responsibilities and workload requirements of Board members.

Fees are established annually for the Chairman and Non-Executive Directors. Additional fees are paid, where applicable, for participation in Board committees and for serving on the boards of controlled entities.

There are no retirement allowance benefits to Non-Executive Directors.

All Directors have flexibility in relation to their remuneration, including the opportunity to set aside additional Company superannuation contributions.

The appointment letters for the Non-Executive Directors set out the terms and conditions of their appointments. These terms and conditions are in conjunction with, and subject to, the Company's Constitution and the charters and policies approved by the Board from time to time.

Each Non-Executive Director receives a fee for being a Director of the Company but no additional fees for sitting on or chairing committees. The Non-Executive Directors also receive superannuation contributions, currently at 9%, and do not receive any other retirement benefits.

OPTIONS

There were no share options granted to Directors during or since the end of the financial year.

This report is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors.

Dated at Melbourne this 26th day of February 2008



P Grove
Executive Chairman

Deloitte.Deloitte Touche Tohmatsu
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Fax: +61 (0) 3 9208 7001
www.deloitte.com.auThe Board of Directors
IPGA Limited
Level 5, 11 Bank Place
MELBOURNE VIC 3000

26 February 2008

Dear Board Members

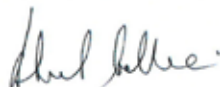
IPGA Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of IPGA Limited.

As lead audit partner for the audit of the financial statements of IPGA Limited for the financial period ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU**Robert D D Collie**
Partner
Chartered AccountantsMember of
Deloitte Touche Tohmatsu

Liability limited by a scheme approved under Professional Standards Legislation.

INCOME STATEMENT FOR THE PERIOD FROM INCORPORATION TO 31 DECEMBER 2007

	Note	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Revenue from services		567,896	-
Interest income		108,311	108,311
Management fees		-	107,086
Total Revenue		676,207	215,397
Administration and related costs		158,124	100,705
Depreciation and amortisation expense	2	10,086	-
Employee benefits expense		308,787	67,490
Occupancy and related costs		49,328	15,693
Other expenses		403	403
Production and servicing cost		91,446	594
Travel and accomodation		32,114	32,114
Total Expenses		650,288	216,999
Profit/(loss) before income tax expense		25,919	(1,602)
Income tax expense	3	(2,881)	-
Profit/(loss) for the period		23,038	(1,602)
Basic earnings per share (cents per share)	6	0.026	
Diluted earnings per share (cents per share)	6	0.026	

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2007

	Note	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Current assets			
Cash and cash equivalents	7	3,988,278	3,654,932
Trade and other receivables	8	272,599	4,065,945
Other	9	44,349	32,763
Total current assets		4,305,226	7,753,640
Non Current Assets			
Other financial assets	10	-	652
Property, plant and equipment	11	75,400	-
Intangible assets	12	314,020	-
Goodwill	13	5,452,628	-
Total non current assets		5,842,048	652
TOTAL ASSETS		10,147,274	7,754,292
Current liabilities			
Trade and other payables	14	2,472,429	90,842
Current tax liabilities	15	2,881	-
Provisions	16	9,076	-
Total current liabilities		2,484,386	90,842
Non Current Liabilities		-	-
TOTAL LIABILITIES		2,484,386	90,842
NET ASSETS		7,662,888	7,663,450
Equity			
Issued capital	17	7,665,052	7,665,052
Reserves	18	(25,202)	-
Retained profits/(accumulated losses)		23,038	(1,602)
TOTAL EQUITY		7,662,888	7,663,450

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR PERIOD ENDED 31 DECEMBER 2007

	Share Capital	Retained profits/ (accumulated losses)	Reserves	Total
	Ordinary			
	\$	\$	\$	\$
Consolidated Entity				
Balance at 26 June 2007	-	-	-	-
26/06/07 – 100 shares issued at \$1 per share	100	-	-	100
13/07/07 – 6,578,190 shares for acquisition of Ailligent Sdn Bhd	58,777	-	-	58,777
02/08/07 – 310,000 shares at 25 cents per share issued to Directors as part of their remuneration	77,500	-	-	77,500
04/09/07 – IPO 30,000,000 at 25 cents per share	7,500,000	-	-	7,500,000
08/10/07 – 4,600,521 shares at 25 cents per share for acquisition of Info-Tools Pte Ltd	1,150,130	-	-	1,150,130
Share issue costs	(1,121,455)			(1,121,455)
Profit for the period	-	23,038	-	23,038
Increase/(Decrease) in reserves resulting from translation of foreign operations	-	-	(25,202)	(25,202)
Balance at 31 December 2007	7,665,052	23,038	(25,202)	7,662,888
Parent Entity				
Balance at 26 June 2007	-	-	-	-
26/06/07 – 100 shares issued at \$1 per share	100	-	-	100
13/07/07 – 6,578,190 shares for acquisition of Ailligent Sdn Bhd	58,777	-	-	58,777
02/08/07 – 310,000 shares at 25 cents per share issued to Directors as part of their remuneration	77,500	-	-	77,500
04/09/07 – IPO 30,000,000 at 25 cents per share	7,500,000	-	-	7,500,000
Share issue costs	(1,121,455)			(1,121,455)
08/10/07 – 4,600,521 shares at 25 cents per share for acquisition of Info-Tools Pte Ltd	1,150,130	-	-	1,150,130
Loss for the period	-	(1,602)	-	(1,602)
Balance at 31 December 2007	7,665,052	(1,602)	-	7,663,450

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2007

	Note	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Cash flows from operating activities			
Receipts from customers		804,161	-
Payments to suppliers and employees		(1,039,468)	(355,019)
Interest received		95,570	95,570
Tax paid		-	-
Net cash used in operating activities	20a	(139,737)	(259,449)
Cash flows used in investing activities			
Purchase of property, plant and equipment		(45,652)	-
Payments for other intangibles	20b	(314,020)	-
Loan to subsidiaries		-	(2,463,612)
Payments for subsidiaries acquired net of cash acquired	20b	(1,809,958)	-
Purchase of unlisted investments		-	(652)
Net cash used in investing activities		(2,250,630)	(2,464,264)
Cash flows from financing activities			
Proceeds from issue of shares	17	7,500,100	7,500,100
Share issue costs	17	(1,121,455)	(1,121,455)
Net cash provided by financing activities		6,378,645	6,378,645
Net increase in cash held		3,988,278	3,654,932
Cash and cash equivalents at beginning of financial period		-	-
Cash and cash equivalents at end of financial period	7	3,988,278	3,654,932

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law.

The financial report includes the consolidated financial statements of the Group, and that of IPGA Ltd the Parent entity. IPGA Ltd is a listed public company, incorporated and domiciled in Australia. IPGA was incorporated on 26 June 2007.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ("A-IFRS"). Compliance with A-IFRS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ("IFRS").

The financial report of the Group, and the parent entity comply with all Australian equivalents to International Financial Reporting Standards in their entirety.

The financial statements were authorised for issue by the directors on 26 February 2008.

Basis of Preparation

The financial report has been prepared on the basis of historical cost, unless otherwise stated. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Unless otherwise indicated, the following significant accounting policies have been adopted in the preparation and presentation of the financial report.

The accounting policies set out below have been consistently applied to all periods presented.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Adoption of new and revised Accounting Standards

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period.

At the date of authorisation of the financial report, the following Standards and Interpretations were on issue but not yet effective:

- AASB 8 'Operating Segments' and consequential amendments to other accounting standards resulting from its issue. Effective for annual reporting periods beginning on or after 1 January 2009.
- Interpretation 12 'Service Concession Arrangements' and consequential amendments to other accounting standards resulting from its issue. Effective for annual reporting periods beginning on or after 1 January 2008

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Parent or the Group.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

In the application of A-IFRS management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affect both current and future periods.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next period are disclosed, where applicable, in the relevant notes to the financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Accounting Policies

a. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of IPGA Ltd the parent entity, and entities controlled by IPGA Ltd (referred to as "the Group" in these financial statements). Control is achieved where IPGA Ltd has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. A list of controlled entities is contained in Note 20 to the financial statements. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. In the separate financial statements of the Group, intra-group transactions ("common control transactions") are generally accounted for by reference to the existing (consolidated) book value of the items. Where the transaction value of common control transactions differ from their consolidated book value, the difference is recognized as a contribution by or distribution to equity participants by the transacting entities.

b. Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in income over the period of the borrowing using the effective interest rate method.

c. Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and any equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 'Business Combinations' are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-Current Assets Held for Sale and Discontinued Operations'. Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

d. Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

e. Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

IPGA Ltd does not currently operate an employee incentive scheme.

f. Financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in subsidiaries are measured at cost. Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

At the balance date the following category of financial asset was held:

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest is recognised by applying the effective interest rate.

g. Financial instruments issued by the company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

h. Foreign currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of IPGA Ltd, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

On consolidation, the assets and liabilities of the Group's foreign operations (including comparatives) are translated into Australian dollars at exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity on or after the date of transition to A-IFRS are treated as assets and liabilities of the foreign entity and translated at exchange rates prevailing at the reporting date. Goodwill arising on acquisitions before the date of transition to A-IFRS is treated as an Australian dollar denominated asset.

i. Goodwill

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. Goodwill is subsequently measured at its cost less any impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs), or groups of CGUs, expected to benefit from the synergies of the business combination. CGUs (or groups of CGUs) to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired.

If the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or groups of CGUs), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or groups of CGUs) and then to the other assets of the CGU (or groups of CGUs) pro-rata on the basis of the carrying amount of each asset in the CGU (or groups of CGUs). An impairment loss recognised for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period.

On disposal of an operation within a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal of the operation.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

j. Impairment of other tangible and intangible assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

k. Investments

Investments in controlled entities are measured on the cost basis in the parent entity's separate financial statements. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments. The expected net cash flows from investments have been discounted to their present value in determining the recoverable amounts.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

I. Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

m. Intangible assets

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably.

n. Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Lease incentives

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

o. Property, plant and equipment

Plant and equipment, leasehold improvements and equipment under finance lease are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment. Depreciation is calculated using either straight line or diminishing value based on the assess appropriateness of each method for each entity within the company. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The following estimated useful lives are used in the calculation of depreciation:

Class of Fixed Asset	Periods of Useful Life
Plant and equipment	4 – 8 years
Furniture and fittings	8 years
Leased plant and equipment	3 – 8 years

p. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

q. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue is recognised where the contract outcome can be estimated reliably and control of the right to be compensated for their service and the stage of completion can be reliably measured. Advance billings are deferred and released in the appropriate period when the service is delivered. Prepayments are capitalised and released in the appropriate period when service is delivered.

Dividend and interest revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

r. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

s. Comparative figures and Reporting Period

There are no comparative figures as the Company started trading on its incorporation on the 26 June 2007. The financial period represents the period from 26 June 2007 to 31 December 2007.

t. Rounding of numbers

The amounts in the report have been rounded to the nearest dollar except for note 26 which have been rounded to the nearest thousand.

NOTE 2: DEPRECIATION AND AMORTISATION

	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Continuing operations		
Profit from ordinary activities before income tax has been determined after:		
Depreciation:		
– Plant and equipment	4,707	-
– Furniture and fittings	726	-
– Leasehold improvements	4,653	-
Total depreciation	10,086	-

NOTE 3: INCOME TAX EXPENSE

	Consolidated Entity 2007 \$	Parent Entity 2007 \$
The components of Income tax expense		
Current taxation payable	2,881	-
Total income tax expense	2,881	
The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax credit as follows:		
Income tax expense/(benefit) calculated at 30%	7,775	(481)
Effect of differential rates in foreign jurisdictions	(5,375)	-
Tax effect of:		
Deductible costs relating to share issue costs	(67,476)	(67,476)
Losses not brought to account	67,957	67,957
Income tax attributable to entity	2,881	-

Unrecognised Deferred Tax Assets

Share Issue Costs

A deferred tax asset has not been recognised in relation to deferred share issue costs (which have been recognised directly into share capital) because, in the opinion of the directors, it is not probable that sufficient Australian sourced taxable income will be generated to utilise the future deductions.

Carry Forward Losses

A deferred tax asset has not been recognised in relation to carry forward taxation losses because, in the opinion of the directors, it is not probable that sufficient Australian sourced taxable income will be generated to utilise the losses.

Deferred tax assets not brought to account as an asset

Tax losses	67,957	67,957
Share issue costs	268,961	268,961
	336,918	336,918

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

- a. Names and positions held of Consolidated and Parent Entity key management personnel in office at any time during the financial period are:

PARENT ENTITY DIRECTORS

Directors

Mr P Grove	Chairman – Executive (appointed: 26/06/07)
Mr P G Choiselat	Director – Non-Executive (appointed: 02/08/07)
Dato' L Gan	Director – Non-Executive (appointed: 02/07/07)
Mr H Morrow	Director – Non-Executive (appointed: 02/08/07)
Mr S Weiss	Director – Non-Executive (appointed: 02/08/07)
Mr. B J Constance	Director – Non-Executive (appointed: 26/06/07, resigned: 02/08/07)
Mr M D Reynolds	Director – Non-Executive (appointed: 26/06/07, resigned: 02/08/07)

Executives

Ms C Chan	Company Secretary (appointed 02/08/07)
Ms M A Chuah	Chief Financial Officer (appointed 02/08/07)
Mr K Tsurumaru	Chief Executive Officer (appointed 26/06/07)

- b. Compensation Practices

Refer Remuneration Report segment of the Directors' Report.

- c. Key Management Personnel Compensation

As allowed under Corporations Regulations 2001, the Company has chosen to disclose key management personnel remuneration in the Remuneration Report section of the Directors' Report. Refer to the Remuneration Report segment of the Directors' Report.

- d. Compensation Options

There were no options issued.

- e. Shares issued as part of compensation.

Director	No. of shares	Value of shares	Issue date
Mr P G Choiselat	80,000	20,000.00	02/08/07
Dato' L Gan	80,000	20,000.00	02/08/07
Mr H Morrow	70,000	17,500.00	02/08/07
Mr S Weiss	80,000	20,000.00	02/08/07
Total	310,000	77,500.00	

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

f. Shareholdings

Number of Shares held by Parent Entity Directors and Executives

Key Management Personnel

	Balance 26.06.07	Received as Remuneration	Options Exercised	Purchases and Sales	Balance 31.12.07
Parent Entity Directors					
Mr P Grove	-	-	-	60,549,329	60,549,329
Mr P G Choiselat	-	80,000	-	11,626,876	11,706,876
Dato' L Gan	-	80,000	-	-	80,000
Mr H Morrow	-	70,000	-	-	70,000
Mr S Weiss	-	80,000	-	80,000	160,000
Sub-total	-	310,000	-	72,256,205	72,566,205
Parent Entity Executives					
Ms C Chan	-	-	-	150,000	150,000
Ms M A Chuah	-	-	-	256,000	256,000
Mr K Tsurumaru	-	-	-	24,000	24,000
Sub-total	-	-	-	430,000	430,000
Total	-	310,000	-	72,686,205	72,996,205

Total compensation paid to Key Management Personnel

	2007 \$
Short-term employee benefits	186,635
Share based payment	77,500
Post-employment benefits	6,975
Total Compensation	271,110

NOTE 5: AUDITORS' REMUNERATION

	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Remuneration of the auditor of the parent entity for:		
– Auditing or reviewing the financial report	44,040	27,000
– Due diligence assistance	360,867	360,867
– Tax advice	25,000	25,000
Total	429,907	412,867

NOTE 6: EARNINGS PER SHARE

	Consolidated Entity 2007 \$
a. Reconciliation of earnings to net profit	
Net profit/(loss)	23,038
Net profit/(loss) used in the calculation of basic EPS	23,038
Net profit/(loss) used in the calculation of dilutive EPS	23,038
b. Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	88,533,829
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	88,533,829
c. Basic earnings per share	0.026
d. Diluted earnings per share	0.026

NOTE 7: CASH AND CASH EQUIVALENTS

	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Cash at bank	3,987,541	3,654,932
Cash on hand	737	-
	3,988,278	3,654,932
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	3,988,278	3,654,932

NOTE 8: TRADE AND OTHER RECEIVABLES

	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Current		
Trade debtors	187,529	-
Provision for doubtful debts	(18,308)	-
	169,221	-
<u>Movement in provision for doubtful debts</u>		
Opening	-	-
Provided during the period	(18,308)	-
Closing provision for doubtful debts	(18,308)	-
<u>Other debtors:</u>		
Amounts receivable – controlled entities		
– Info-Tools Pte Ltd	-	22,350
– Iproperty.com Pte Ltd	-	302,070
– Ailligent Sdn Bhd	-	134,913
– GoHome H.K.Co. Limited	-	67,516
– Iproperty Group Asia Pte Ltd	-	3,525,485
Other receivables (sundry receivables and rental bonds)	103,378	13,611
	103,378	4,065,945
Total trade and other receivables	272,599	4,065,945

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2007

NOTE 8: TRADE AND OTHER RECEIVABLES (CONT.)

The average credit period on sale of services is 30 days for direct client billings and 60 days for agency billings. No interest is charged on the trade receivables. The Group have provided for all receivables that are doubtful. Trade receivables of direct client and agency billings are provided for based on estimated irrecoverable amounts determined by reference to past default experience and length of time of the overdue payment. Included in the Group's trade receivable balance are debtors with a carrying amount of \$55,180 with past due date of 60 days. The Group has only provided \$18,308 as there has not been a significant change in credit quality and the Group believes that the amounts are still considered recoverable. The Group does not hold collateral over these balances. Refer to the movement to doubtful debt table above in Note 8.

Receivables from controlled entities are at call.

NOTE 9: OTHER ASSETS

	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Current		
Prepayments	44,349	32,763

NOTE 10: OTHER FINANCIAL ASSETS

	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Non-current		
Unlisted investments, at cost		
– shares in controlled entities	-	652
	-	652

NOTE 11: PLANT AND EQUIPMENT

	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Plant and equipment		
At cost	69,515	-
Accumulated depreciation	(4,707)	-
	64,808	-
Furniture and fittings		
At cost	7,017	-
Accumulated depreciation	(726)	-
	6,291	-
Leasehold improvements		
At cost	8,954	-
Accumulated amortisation	(4,653)	-
	4,301	-
Total Plant and Equipment	75,400	-

NOTE 11: PLANT AND EQUIPMENT (CONT.)

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period

	Leasehold Improvement \$	Plant and Equipment \$	Furniture and Fittings \$	Total \$
Consolidated Entity:				
Balance at 26 June 2007	-	-	-	-
Acquisitions through business combinations	8,954	23,863	7,017	39,834
Acquisitions during the period	-	45,652	-	45,652
Depreciation expense	(4,653)	(4,707)	(726)	(10,086)
Carrying amount at 31 December 2007	4,301	64,808	6,291	75,400

NOTE 12: INTANGIBLE ASSETS

	Note	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Balance at beginning of financial period		-	-
Additions from acquisition of domain names		314,020	-
Net carrying value	22	314,020	-

NOTE 13: GOODWILL

	Note	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Balance at beginning of financial period		-	-
Additions from business combinations in the current year		5,452,628	-
Net carrying value	22	5,452,628	-

Management regularly reviews the carrying value of goodwill and intangible assets to determine whether there is any indication that goodwill or intangible assets have been impaired. The discounted cash flow method of measurement was used to estimate the recoverable amount of those assets. The recoverable amount using the stated method of calculation was larger than the carrying value of the stated assets and accordingly there was no impairment. For details of acquisition, refer to Note 22.

NOTE 14: TRADE AND OTHER PAYABLES

	Note	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Current			
Unsecured liabilities			
Trade payables		96,581	66,414
Sundry payables and accrued expenses		134,810	10,391
Accrued acquisition costs ⁽ⁱ⁾		1,906,780	-
Billings in advance		334,258	14,037
		2,472,429	90,842

⁽ⁱ⁾ The accrued acquisition costs relate to the second tranche payment for acquisition of Info-Tools Pte Ltd. The maximum amount to be paid is cash component of 1 million Singapore Dollars and 1.5 million Singapore Dollars worth of shares in IPGA Ltd to be issued at 25 cents (AUD) per share. The second tranche payment is subject to the achievement of the key performance indicators as stated in the sale and purchase agreement.

The average credit period on purchases is normally 60 days. No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

NOTE 15: CURRENT LIABILITIES

	Note	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Current tax balances			
Current Income Tax Payable		2,881	-

NOTE 16: PROVISIONS

	Note	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Opening balance		-	-
Provision for employees taken up during the period		9,076	-
Closing Balance		9,076	-
Number of employees		33	-

NOTE 17: ISSUED CAPITAL

Note	Consolidated Entity 2007 \$	Parent Entity 2007 \$
102,310,021 Fully paid ordinary shares		7,665,052
a. Ordinary shares		
At date of incorporation 26 June 2007		-
Shares issued 26 June 2007		100
Shares issued during the year 12/07/07 - share split 1:673995		-
Transfer of 6,578,190 shares to Ailligent vendors valued at 25 cents		58,777
02/08/07 - 310,000 shares issued to Directors at 25 cents per share		77,500
04/09/07 - IPO 30,000,000 at 25 cents per share		7,500,000
08/10/07 - 4,600,521 shares issued to vendors of Info-Tools Pte Ltd at 25 cents per share		1,150,130
Share issue costs associated with IPO		(1,121,455)
At end of year		7,665,052
a. Ordinary shares		
At date of incorporation 26 June 2007		-
Shares issued during the year 26/06/07 - 100 shares issued		100
12/07/07 - share split 1:673995		67,399,400
02/08/07 - 310,000 shares issued to Directors at 25 cents per share		310,000
04/09/07 - IPO 30,000,000 at 25 cents per share		30,000,000
08/10/07 - 4,600,521 shares issued to vendors of Info-Tools Pte Ltd at 25 cents per share		4,600,521
At end of year		102,310,021

b. Options

No options have been issued by the company

c. Shares

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on show of hands.

NOTE 18: RESERVES

	Note	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Foreign currency translation reserve			
Balance at beginning of financial period		-	-
Translation of foreign operations		(25,202)	-
Balance at end of financial year		(25,202)	-

Exchange differences relating to the translation from the functional currencies of the Group's foreign-controlled entities into Australian Dollars are brought to account by entries made directly to the foreign currency translation reserve.

NOTE 19: CAPITAL AND LEASING COMMITMENTS

Finance lease commitments

The company and economic entity do not have any finance leases

Non-cancellable operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	Note	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Payable			
- not later than 12 months		34,762	-
- later than 12 months but not later than 5 years		5,809	-
Total liability		40,571	-

Operating leases relate to premises occupied by the Group with lease terms currently still available of under 2 years. The Group does not have an option to purchase the premises at the expiry of the lease period.

NOTE 20: CASH FLOW INFORMATION

	Consolidated Entity 2007 \$	Parent Entity 2007 \$
a. Reconciliation of Cash Flow from Operations with Profit/(Loss) from Ordinary Activities after Income Tax		
Profit/(Loss) from ordinary activities after Income Tax	23,038	(1,602)
Non-cash flows in profit from ordinary activities		
Doubtful debts	18,308	-
Depreciation	10,086	-
Leave provisions	9,076	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
Increase in Trade and other receivables	(180,794)	(257,847)
Increase in Other assets	(37,158)	-
Increase in Current tax payable	2,881	-
Increase in Trade and other payables	14,826	-
Cash flow from operations	(139,737)	(259,449)

b. Consolidated cost incurred on acquisitions during the period ending 31 December 2007:

	Ailligent Sdn Bhd	Info Tools Pte Ltd	Go Home Group	InvestPh. Com	Total
Cash	-	771,040	1,405,770	24,391	2,201,201
Cost of transaction accrued	-	-	107,375	-	107,375
Accrued amount	-	1,900,115	-	-	1,900,115
Shares issued	58,777	1,150,130	-	-	1,208,907
Total acquisition cost	58,777	3,821,285	1,513,145	24,391	5,417,598
Paid cash component	1	771,040	1,405,770	-	2,176,811
Cash acquired	27,839	192,329	65,685	-	285,853
Net cash paid for subsidiary	(27,838)	578,711	1,340,085	-	1,890,958
Settled share component	58,777	1,150,130	-	-	1,208,907
Amount paid and settled	30,939	1,728,841	1,340,085	-	3,099,865
Unpaid cash component	-	775,030	107,375	24,391	906,796
Unissued share component	-	1,125,085	-	-	1,125,085
Total owing	-	1,900,115	107,375	24,391	2,031,881

In addition to the above, net cash paid for domain name lproperty.com was \$314,020.

NOTE 21: CONTROLLED ENTITIES

	Country of Incorporation	Percentage owned 2007 %
<u>Parent Entity:</u>		
IPGA Ltd	Australia	
<u>Subsidiaries of IPGA Ltd:</u>		
Iproperty Group Asia Pte Ltd	Singapore	100
Ailligent Sdn Bhd	Malaysia	100
Info-Tools Pte Ltd	Singapore	100
Finance18.com Limited	Hong Kong	100
Gohome H.K.Co. Limited	Hong Kong	100
House18 Service Limited	Hong Kong	100

NOTE 22: ACQUISITION OF BUSINESSES

Acquisitions in the period 26 June 2007 to 31 December 2007

Name of business acquired	Principal activity	Date of Acquisition	Proportion of share acquired %	Cost of Acquisition \$
Ailligent Sdn Bhd	Online Advertising	26/06/2007	100	58,778
Info-Tools Pte Ltd	Online Advertising	18/09/2007	100	3,821,285
GoHome Network	Online Advertising	03/12/2007	100	1,513,145
InvestPh.com	Online Advertising	26/06/2007	100	24,390
				5,417,598

NOTE 22: ACQUISITION OF BUSINESS (CONT.)

Assets and liabilities held at acquisition date:

Balance Sheet item	Ailligent Sdn Bhd	Info Tools Pte Ltd	Go Home Group	InvestPh. Com	Total
	Fair value \$	Fair value \$	Fair value \$	Fair value \$	Fair value \$
Current assets					
Cash	27,839	192,329	65,685	-	285,853
Trade debtors	50,041	3,440	32,387	-	85,868
Other receivables	14,074	9,930	242	-	24,246
Other	1,827	-	5,363	-	7,190
Total current assets	93,781	205,699	103,677	-	403,157
Non current assets					
Plant and equipment	34,781	5,053	-	-	39,834
Total non current assets	34,781	5,053	-	-	39,834
Total assets:	128,562	210,752	103,667	-	442,991
Current liabilities					
Trade creditors	35,877	-	50,370	-	86,247
Other creditors	33,908	17,065	9,719	-	60,692
Deferred revenue	-	265,130	65,952	-	331,082
Total current liabilities	69,785	282,195	126,041	-	478,021
Total liabilities	69,785	282,195	126,041	-	478,021
Net assets	58,777	(71,443)	(22,364)	-	(35,030)
Acquisition cost	58,777	3,821,285	1,513,145	24,391	5,417,598
Goodwill on Acquisition	-	3,892,728	1,535,509	24,391	5,452,628

Acquisition of Ailligent Sdn Bhd

Prior to the Initial Public Offering, IPGA Ltd entered into an agreement to purchase 100% of the issued capital of Ailligent Sdn Bhd, an operating entity incorporated in Malaysia. At the time of the transaction, IPGA Ltd and Ailligent Sdn Bhd were both under common control. The transfer of net assets between the entities has therefore been accounted for at the carrying value at the time of the transfer. The consideration for the shares in Ailligent Sdn Bhd comprised shares in IPGA issued to the former immediate owner of Ailligent Sdn Bhd. The new shares issued by IPGA were recorded at the carrying value of the assets transferred, resulting in no goodwill or other identifiable intangible assets being recorded.

Other acquisitions

Goodwill arose in the business combinations because the cost of the combinations included a control premium paid to acquire the business. The allocation of the control premium to goodwill is provisional and management is still in the process of evaluating the fair values of other potential identifiable intangible assets acquired, and the segment to which such intangible assets are allocable.

The estimated revenue of the Group and net profit before tax had the business purchases been effected from the date of incorporation cannot be reliably measured, and therefore are not included.

NOTE 23: SEGMENT REPORTING

Business segments:

The Company operates in the online advertising segment.

Geographical Segments:

The Group operates in a few principal geographical areas. The composition of each geographical segment is as follows:

	Segment revenues 2007 \$	Segment results 2007 \$	Segment assets 2007 \$	Acquisition of segment assets 2007 \$
Geographical location				
Australia	108,311	(1,602)	3,701,960	-
Malaysia	306,161	(20,290)	299,798	93,781
Singapore	224,577	47,182	278,419	205,699
Hong Kong	34,041	(2,488)	93,688	103,677
Others	3,117	3,117	6,760	-
Intangibles	-	-	314,020	-
Goodwill	-	-	5,452,629	-
Total	676,207	25,919	10,147,274	403,157

NOTE 24: EVENTS SUBSEQUENT TO REPORTING DATE

Events subsequent to reporting date

There has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods other than:

- IPGA has announced to the market that it has signed a sale and purchase agreement to acquire Keagen Group Sdn Bhd, a leading property exhibition company in Malaysia, with an expected settlement date on 29 February 2008.

NOTE 25: RELATED PARTY TRANSACTIONS

	Consolidated Entity 2007 \$	Parent Entity 2007 \$
Transactions with related parties:		
i. Director-related entities		
Total administration services fees, facilities fees and occupancy fees charged by Beconwood Securities Pty Ltd, a company associated with Paul G Choiselat. The outstanding balance is \$21,608. Transactions between related parties are on normal commercial terms and conditions at no more favourable than those available to other parties unless otherwise stated.		
	47,696	47,696
ii. Share transactions of Directors		
Directors and director-related entities hold directly, indirectly or beneficially as at the reporting date		
IPGA Ltd – Ordinary shares	72,566,205	72,566,205
IPGA Ltd – ordinary shares: Directors and their related entities: Directors received 310,000 shares as part of their remuneration. (refer Note 4.f)		

NOTE 26: FINANCIAL INSTRUMENTS

Financial Risk Management

Management monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, and operating leases.

The Group's has minimal exposure to the financial risks of changes in foreign currency exchange rates and interest rates.

NOTE 26: FINANCIAL INSTRUMENTS (CONT.)

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

Maturity profile of financial instruments

The maturity profile of financial assets and financial liabilities held by the Company and the Group are detailed on the following pages:

The following table details the Group's exposure to interest rate risk as at 31 December 2007:

	Weighted average effective interest rate %	Variable interest rate \$'000	Fixed maturity dates						Non interest bearing \$'000	Total \$'000
			Less than 1 year \$'000	1-2 years \$'000	2-3 years \$'000	3-4 years \$'000	4-5 years \$'000	5+ years \$'000		
Financial assets										
Cash and cash equivalents	6.75	-	3,988	-	-	-	-	-	-	3,988
Current tax assets		-	-	-	-	-	-	-	-	-
Trade receivables		-	-	-	-	-	-	-	169	169
Other receivables		-	-	-	-	-	-	-	103	103
		-	3,988	-	-	-	-	-	272	4,260
Financial liabilities										
Trade payables		-	-	-	-	-	-	-	97	97
Other payables		-	-	-	-	-	-	-	135	135
Current tax liabilities		-	-	-	-	-	-	-	2	2
Other payables		-	-	-	-	-	-	-	2,241	2,241
Provisions		-	-	-	-	-	-	-	9	9
		-	-	-	-	-	-	-	2,484	2,484

NOTE 26: FINANCIAL INSTRUMENTS (CONT.)

The following table details the company's exposure to interest rate risk as at 31 December 2007:

	Weighted average effective interest rate	Variable interest rate	Fixed maturity dates						Non interest bearing	Total
			Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5+		
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Financial assets										
Cash and cash equivalents	6.75	3,655	-	-	-	-	-	-	-	3,655
Trade receivables		-	-	-	-	-	-	-	-	-
Other receivables		-	-	-	-	-	-	-	13	13
Related party loans		-	-	-	-	-	-	-	4,052	4,052
		3,655	-	-	-	-	-	-	4,065	7,720
Financial liabilities										
Trade payables		-	-	-	-	-	-	-	66	66
Current tax liabilities		-	-	-	-	-	-	-	2	2
Other payables		-	-	-	-	-	-	-	24	24
		-	-	-	-	-	-	-	92	92

NOTE 26: FINANCIAL INSTRUMENTS (CONT.)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group has limited exposure due to the nature of most of its transactions being relatively small. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Trade receivables consist of a large number of customers.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTE 27: CONTINGENT LIABILITIES

There are no contingent liabilities.

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DIRECTORS' DECLARATION

The Directors declare that:

- a. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- b. In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and
- c. The Directors have been given the declarations required by s.295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors.



P Grove
Director

Dated this 26th day of February 2008



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Independent Auditor's Report to the members of IPGA Limited

Report on the Financial Report and AASB 124 Compensation Disclosures in the Directors' Report

We have audited the accompanying financial report of IPGA Limited, which comprises the balance sheet as at 31 December 2007, and the income statement, cash flow statement and statement of changes in equity for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the financial period as set out on pages 28 to 61.

We have also audited the compensation disclosures contained in the directors' report. As permitted by the *Corporations Regulations 2001*, the company has disclosed information about the compensation of key management personnel ("compensation disclosures") as required by paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard AASB 124 *Related Party Disclosures* ("AASB 124"), under the heading "remuneration report" on pages 23 to 25 of the directors' report, and not in the financial report.

Directors' Responsibility for the Financial Report and the AASB 124 Compensation Disclosures Contained in the Directors' Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The directors are also responsible for the compensation disclosures contained in the directors' report. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the consolidated financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report and compensation disclosures contained in the directors' report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and the compensation disclosures comply with AASB 124.

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Deloitte

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

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

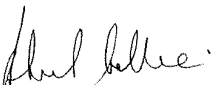
In our opinion:

- (a) the financial report of IPGA Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 December 2007 and of their performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Auditor's Opinion on the AASB 124 Compensation Disclosures Contained in the Directors' Report

In our opinion, the compensation disclosures that are contained on pages 23 to 25 under the heading "remuneration report" of the directors' report, comply with paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard AASB 124 *Related Party Disclosures*.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



Robert D D Collie
Partner
Chartered Accountants
Melbourne, 26 February 2008

Additional Investor Information

STOCK EXCHANGE LISTING

IPGA is listed on ASX under the code IPP for ordinary shares.

DISTRIBUTIONS

No distributions or dividends have been paid by IPGA for the year.

REGISTRY

Registries Limited is IPP's security register manager and holds all shareholder records electronically. Registries Limited is also responsible for the maintenance of shareholder records and the preparation of distribution payments. Contact details for Registries Limited are set out on the last page of this Report.

INVESTOR SUPPORT

If you have any queries regarding your investment, please contact +612 9290 9600 or visit their website at www.registrieslimited.com.au. Please note there is a section of the website designed to provide shareholders with the forms necessary to initiate changes of the details held at the registry. Enquiries may also be e-mailed via Computershare's website (www.registrieslimited.com.au).

Requests for changes to your holding details, distribution payment details, or general enquires can all be directed to the Registries Shareholder Service Centre.

ANNUAL REPORT

All shareholders are entitled to receive a copy of the Annual Report. If you do not require the Annual Report, or if you receive more copies than you require, please notify Registries Limited at the address shown on the last page of this Report. The Annual Report and Financial Statements can also be downloaded from the ASX Announcement area of our website at www.iproperty.com

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Wednesday, 23 April 2008 at Level 5, Bank House, 11 Bank Place, Melbourne, Victoria. The Notice of Meeting and Proxy Form are included with this Report.

STATEMENT OF SHAREHOLDERS

Twenty (20) Largest Holders of quoted Ordinary Shares as at 4 February 2008:

Shareholder	No. of Shares Held	% Held
Beconwood Ltd	11,375,200	37.57
National Nominees Limited	4,000,000	13.21
ANZ Nominees Limited <Cash Income A/c>	2,533,000	8.37
J P Morgan Nominees Australia Limited	1,000,000	3.30
Citicorp Nominees Pty Limited <DPSL Re Directportfolio A/c>	455,234	1.50
Mr Kenneth William Breese & Mrs Jennifer Ruth Breese <BPD Executive S/F A/c>	428,000	1.41
Mr Azar Kassis	270,000	0.89
Ms May Chuah <I May Family A/c>	256,000	0.85
WFCO Pty Ltd <Walker Family A/c>	254,000	0.84
Beconwood Ltd	212,000	0.70
McDonnell Communications Research Pty Ltd <Super Fund A/c>	200,000	0.66
Layuti Pty Ltd <The Mouatt Super Fund A/c>	200,000	0.66
Senorita Pty Ltd	200,000	0.66
Mr Stan Loucas	200,000	0.66
Mr Andrew Fiori-Dea & Mrs Diana Fiori-Dea <Fiori-Dea Super Fund A/c>	200,000	0.66
Mrs Diana Fiori-Dea	200,000	0.66
Mr Richard John Palmer	172,249	0.57

Additional Investor Information (cont.)

STATEMENT OF SHAREHOLDERS (CONT.)

Shareholder	No. of Shares Held	% Held
Regiment Realty Pty Ltd <The Eeze A/c>	120,000	0.40
Merrill Lynch (Australia) Nominees Pty Ltd	112,000	0.37
Ms Cynthia Chan	110,000	0.36
Top 20 holders of quoted Ordinary Fully Paid Shares as at 4 February 2008	22,497,683	74.30
Other Shareholders	7,782,317	25.70
Total Quoted Ordinary Fully Paid Shares	30,280,000	100.00
Restricted Ordinary Fully Paid Shares	72,030,021	
Total Ordinary Fully Paid Shares on issue (4 February 2008)	102,310,021	

Note: * As a percentage of Total Quoted Securities

Restricted Ordinary Fully Paid Shares subject to escrow and to remain unquoted for 24 months from date of admission to ASX listing

Shareholder	No. of Shares Held
Catcha Media Group Pte Ltd	60,541,310
Mr Samuel Weiss	80,000
Dato' Larry Gan	80,000
Mr Paul G Choiselat	80,000
Laconic Pty Ltd	70,000
Total	60,851,310

Restricted Ordinary Fully Paid Shares subject to escrow and to remain unquoted until 13 July 2008. Thereafter the shares continue under voluntary escrow for a further 12 months until 13 July 2009.

Shareholder	No. of Shares Held
Mr Wong Jia Liang	2,631,276
Ms Kong Suet Lee	2,631,276
Mr Kong Sin Leong	1,315,638
Total	6,578,190

Restricted Ordinary Fully Paid Shares subject to escrow and to remain unquoted until 18 September 2008. Thereafter the shares continue under voluntary escrow for a further 12 months until 18 September 2009.

Shareholder	No. of Shares Held
Mr Tay Kam Chiew, Jacob	4,140,469
Mr Tay Kam Kiang	460,052
Total	4,600,521

Additional Investor Information (Cont.)

DISTRIBUTION OF SHAREHOLDERS

Range	Fully paid Ordinary Shares as at 31 January 2008
1 - 1,000	1
1,001 - 5,000	12
5,001 - 10,000	205
10,001 - 100,000	221
100,001 and over	26
Total number of holders	465
Holders of less than a marketable parcel	Nil

Substantial Shareholders

Shareholder	No. of securities held	Percentage held as per notice
Catcha Media Group Pte Ltd	60,541,328	61.96
Beconwood Ltd	11,722,876	12.00

Voting Rights

Under the Company's Constitution, each member present at a general meeting is entitled:

1. on a show of hands, to one vote; and
2. on a poll, to one vote for each share held or represented.

Options do not carry voting rights.

Corporate Directory

Listed Entities Comprising IPP:

IPGA Limited
ABN 99 126 188 538

ASX Listing Code:

IPP

Website:

www.iproperty.com

Directors of IPP:

Patrick Grove – Chairman
Paul G Choiselat
Dato' Larry Gan
Hugh Morrow
Samuel Weiss

CEO of IPP:

Kensuke Tsurumaru
Email: ken@iproperty.com

Company Secretary of IPP:

Cynthia Chan
Email: cchan@beconwood.com.au

Share Registry:

Registries Limited
Level 2
28 Margaret Street
Sydney NSW 2000
Australia
www.registrieslimited.com.au

Auditors of IPP:

Deloitte Touche Tohmatsu
180 Lonsdale Street
Melbourne VIC 3000
Australia

Registered office:

Level 5, Bank House
11 Bank Place
Melbourne VIC 3000
Australia
Tel: +613 9691 4900
Fax: +613 9600 1500

Principal Place of Business:

45-9 The Boulevard
Mid Valley City 59200
Kuala Lumpur
Malaysia
Tel: +603 2297 0999
Fax: +603 2297 0888

Other Offices:

Info-Tools Pte Ltd
480 Lorong 6 Toa Payoh
08-01 HDB Hub (East Wing)
Singapore 310480

GoHome H.K. Co. Ltd
Wing Tuck Commercial Centre
No. 177 – 183 Wing Lok Street
Sheung Wan
Hong Kong

Glossary

ASX	Australian Stock Exchange
Auditor	Auditor of IPP being Deloitte Touche Tohmatsu
Board	Board of Directors of IPP
CEO	Chief Executive Officer of IPP
CFO	Chief Financial Officer of IPP
Company	IPGA Ltd, ABN 99 126 188 538
Group	IPGA Ltd and its controlled entities
IPP	IPGA Ltd, ABN 99 126 188 538
IPGA	IPP
Ordinary Shares	ordinary shares in IPP
pa	per annum
Year	financial year

