

IPCO INTERNATIONAL LIMITED

(Company Registration Number 199202747M)

PROPOSED PLACEMENT OF 1,020,000,000 NEW ORDINARY SHARES

A. PLACEMENT

The Board of Directors of Ipco International Limited (the "**Company**") wishes to announce that the Company has entered into a subscription agreement dated 28 March 2014 ("**Subscription Agreement**") with the following persons (the "**Placees**").

The Placees have each agreed to subscribe for shares as set out below amounting to a total of 1,020,000,000 new ordinary shares in the capital of the Company ("**Placement Shares**") at an issue price of S\$0.0108 for each Placement Share ("**Issue Price**") to raise approximately S\$11,016,000, subject to and upon the terms of the Subscription Agreement (the "**Proposed Placement**"):-

Name of Placee	Number of Placement Shares Subscribed	As a percentage of existing issued share capital as at the date of this announcement ⁽¹⁾	As a percentage of enlarged issued share capital of the Company ⁽²⁾
Syed Muhammad Noh bin Omar Alsagoff	255,000,000	4.999	4.166
Sepianto	255,000,000	4.999	4.166
Lim Voon Fei	255,000,000	4.999	4.166
Zhang Yanmin	255,000,000	4.999	4.166

Notes:-

(1) Based on existing issued share capital of 5,100,799,986 Shares of the Company

(2) Based on enlarged issued share capital of 6,120,799,986 Shares after the placement of 1,020,000,000 Placement Shares

The Proposed Placement exercise is to raise funds for purposes of working capital, the repayment of bank loan(s), short-term investments, business expansion in China and real estate development in USA, and for the benefit of the Company and its subsidiaries as a whole.

The Proposed Placement will be undertaken by way of a private placement in accordance with Section 272B of the Securities and Futures Act (Cap 289). As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

B. ISSUE PRICE

The Issue Price represents a discount of approximately 10% to the volume weighted average price of S\$0.012 for trades done on the ordinary shares in the capital ("**Shares**") of the Company on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 28 March 2014 (being the market day on which the Subscription Agreements were signed).

C. AUTHORITY TO ISSUE PLACEMENT SHARES

The Placement Shares will be issued pursuant to the general mandate ("**General Mandate**") obtained at the annual general meeting ("**AGM**") of the Company held on 30 August 2013 ("**Date of AGM 2013**") which authorises the Directors to allot and issue new Shares in the capital of the Company in accordance with, and subject to, the provisions of Rule 806 of the Listing Manual of the SGX-ST.

The issued share capital of the Company (in terms of number of Shares) as at the Date of AGM 2013 was 5,100,799,986 Shares. As such, the maximum number of new Shares which may be issued pursuant to the General Mandate is approximately 1,020,159,997 Shares or 20% of the issued share capital of 5,100,799,986 Shares. As at the date of this Announcement, the Company has not yet utilised the General Mandate obtained pursuant to the 2013 AGM.

The enlarged issued and paid-up share capital of the Company after completion of the Proposed Placement will be 6,120,799,986 Shares.

The Placement Shares will represent (i) approximately 19.997% of the existing issued share capital of the Company as at the date of this Announcement; and (ii) approximately 16.664% of the enlarged issued share capital of the Company after the issue of the Placement Shares.

The Placement Shares when issued and fully paid will rank pari passu in all respects with the existing Shares of the Company.

D. CONDITION PRECEDENT

The Proposed Placement is conditional upon the approval of the SGX-ST for the listing and quotation of the Placement Shares on the SGX-ST. The Company will be making an application to the SGX-ST for the listing and quotation of the Placement Shares on the SGX-ST.

E. INFORMATION ON THE PLACEES

The Placees are all individuals who were introduced to the Company by the Chief Executive Officer, Ms. Quah Su Ling.

Syed Muhammad Noh bin Omar Alsagoff was born in Malaysia and trained in the University of Technology, Malaysia between 1984 to 1990. He holds a Bachelor's Degree in Mechanical Engineering and started his career in a mechanical engineering post in Multitape Industries Sdn. Bhd. His last held position with Multitape Industries Sdn. Bhd. was as senior production manager and his job scope included dealing and liaising with major clients like Panasonic. He left the company after 13 years to set up his own private investment business. Since leaving the company, he has successfully led technical teams for international ADSL and VOIP set-up and maintenance projects.

Sepianto

Sepianto is an Indonesian businessman with extensive and varied business interests in Indonesia and the People's Republic of China, especially in construction and trading.

Lim Voon Fei

Mr. Lim is an IT and Web entrepreneur with business interest in properties and equity investments.

Zhang Yanmin graduated from Singapore Polytechnic in 2012. Upon graduation, she set up a restaurant in Singapore. Her business interest has since expanded beyond the food and beverage industry and expanded significantly. This success has lead to her looking to diversify into fund management, and the investment vehicle, Yann Investments was set up for this purpose. Through Yann Investments, Ms Zhang is also seeking to capitalize on the income generated from the sale of Ms Zhang's family businesses to China Mengniu Dairy Company Limited.

No placement commission will be payable for the Proposed Placements.

As at the date of the Subscription Agreements, the 4 Placees do not hold any Shares in the Company.

Pursuant to the Subscription Agreement, the above 4 Placees have represented that they do not fall within the class of restricted persons to whom placements must not be made by the Company pursuant to Rule 812 of the Listing Manual of the SGX-ST.

In addition, the 4 Placees have agreed to a moratorium not to sell, assign, or trade in the Placement Shares for a period of **six (6) months** from the date of the issue and allotment of the Placement shares.

F. PROCEEDS FROM PROPOSED PLACEMENT AND INTENDED USE

The estimated net proceeds from the Proposed Placement, after deducting estimated expenses pertaining to the Proposed Placement of S\$60,000, will be approximately S\$10,956,000.

The net proceeds will be used for working capital, repayment of bank loan, short-term investments, business expansion exercises for the benefit of the Company and its subsidiaries as a whole.

G. PROPOSE USE OF PROCEEDS

The aggregate gross proceeds from the Subscription will be S\$11,016,000, and the net cash proceeds from the Subscription (after deducting expenses relating thereto) will be approximately S\$10,956,000 (the "Net Proceeds"). The Net Proceeds will be used by the Company in the following estimated proportions:

Use of Proceeds	Percentage Allocation (%)
Repayment of outstanding loans to existing bank lenders	Approximately 10% to 12%
Business expansion in China and real estate development in USA	Approximately 70% to 80%
General working capital of the Group	Approximately 8% to 20%

The Company will make periodic announcements on the use of the Net Proceeds and provide a status report on the use of the Net Proceeds in the Company's annual report. The Company will disclose a breakdown on the use of the Net Proceeds for working capital in such announcements and annual reports.

Pending the deployment of the Net Proceeds, such proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for other purposes on a short-term basis, as the Directors may determine from time to time.

H. FINANCIAL EFFECTS

For illustration purposes only, the table below sets out the financial effects of the Proposed Placement based on the following bases and assumptions:-

- (i) The audited consolidated financial statements of the Company for the financial year ended 30 April 2013; and
- (ii) The financial impact on the consolidated net tangible assets ("**NTA**") per Share of the Company is computed based on the assumption that the Proposed Placement was completed on 30 April 2013 and in relation to the Company's consolidated earnings per Share ("**EPS**"), computed based on the assumption that the Proposed Placement was completed on 1 May 2012.

	Before the Proposed Placement	After the Proposed Placement
Share Capital		
- Issued and paid up share capital (S\$'000)	263,687	274,703
- Number of Shares	5,100,799,986	6,120,799,986
NTA (S\$'000)	359,891	370,847
NTA per Share (cents)	0.071	0.061
EPS (cents) ⁽¹⁾	1.608	1.198
Earnings attributable to equity holders of the Company (S\$'000)	48,068	48,008
Weighted average number of shares used to calculate diluted earnings	2,988,601,356	4,008,601,356

Note: (1) EPS is calculated by dividing the Company's consolidated net earnings attributable to equity holders of the Company by the weighted average number of ordinary shares.

The financial effects of the Proposed Placement on the Company are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Company after the completion of the Proposed Placement.

I. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company (other than in their capacity as director or shareholders of the Company) has any interest, direct or indirect, in the Proposed Placement.

BY ORDER OF THE BOARD

Quah Su Ling
Chief Executive Officer
28 March 2014