

IPCO INTERNATIONAL LIMITED

(Incorporated in Singapore)
(Company Registration Number 199202747M)

THE PROPOSED CONSOLIDATION OF EVERY ONE HUNDRED (100) ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) CONSOLIDATED SHARE IN THE CAPITAL OF THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Ipco International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company proposes to undertake a share consolidation of every one hundred (100) existing issued ordinary shares in the capital of the Company (the “**Shares**”) held by shareholders of the Company (the “**Shareholders**”) as at a books closure date to be determined by the Directors (the “**Books Closure Date**”) into one (1) consolidated share in the capital of the Company (the “**Consolidated Share**”), fractional entitlements to be disregarded (the “**Proposed Share Consolidation**”).

2. THE PROPOSED SHARE CONSOLIDATION

2.1 General

Under the Proposed Share Consolidation, the Company will consolidate every one hundred (100) existing Shares held by Shareholders as at the Books Closure Date into one (1) Consolidated Share, fractional entitlements to be disregarded.

Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions thereof arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner and on such terms as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including aggregating and selling the same and retaining the net proceeds for the benefit of the Company. Shareholders should note that where fractions of shares are dealt with in the manner set out above, they will not be entitled to any proceeds derived from any such dealings or to any interest or share of revenue or other benefit arising therefrom.

Each Consolidated Share shall rank *pari passu* in all respects with each other, and will be traded on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in board lots of 100 Consolidated Shares.

As at the date of this announcement, the Company has an issued and paid-up share capital of S\$263,687,043.25 comprising 5,100,799,986 Shares. On the assumption that there will be no new ordinary shares (the “**Shares**”) issued by the Company on or before the Books Closure Date, following the completion of the Proposed Share Consolidation, the Company will have an issued and paid-up share capital of S\$263,687,043.25 comprising up to 5,100,799,986 Consolidated Shares.

The Proposed Share Consolidation will have no impact on the issued and paid-up share capital of the Company. The Proposed Share Consolidation will also not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders’ funds of the Group. Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding.

Subject to Shareholders’ approval being obtained for the Proposed Share Consolidation at the extraordinary general meeting of the Company (the “**EGM**”) to be convened, Shareholders’ entitlements to the Consolidated Shares (fractional entitlements to be disregarded) will be determined based on their shareholdings in the Company as at the Books Closure Date.

2.2 Rationale for the Proposed Share Consolidation

The SGX-ST introduced a minimum trading price of S\$0.20 for shares of issuers listed on the Mainboard of the SGX-ST as a continuing listing requirement (the “**MTP Requirement**”) with effect from 2 March 2015. A one-time transition period of 12 months from 2 March 2015 (i.e. to 1 March 2016) was given to affected issuers to undertake corporate actions to meet the MTP Requirement and the first assessment for compliance was on 1 March 2016. A further extension until 1 September 2016 was given by the SGX-ST to those companies which have consolidated their shares before 1 March 2016 and for companies which have experienced, for the first time, a dip in their VWAP below S\$0.20 due to the extreme market volatility in January 2016.

Pursuant to the MTP Requirement, issuers which are not able to record a 6-month volume-weighted average price (“**VWAP**”) of its shares of \$0.20 or above on 1 March 2016 or after the extension period (if applicable), or any of the subsequent quarterly review dates will be placed on the watch-list. Issuers placed on the watch-list which are unable to take steps to raise their minimum trading price and exit the watch-list may be delisted after a 36-month cure period.

On 29 February 2016, the Company received approval from the SGX-ST for the extension of the date of the first quarterly review from 1 March 2016 to 1 September 2016 given that the Company was applying for a transfer of listing to the Catalist board. As the SGX-ST did not approve the Company's application for the transfer of listing to the Catalist board, the Company proposes to undertake the Proposed Share Consolidation to comply with the MTP Requirement.

For the past six (6) calendar months prior to the date of this announcement, the Shares have been trading in a range between S\$0.003 and S\$0.006, which is below the MTP Requirement of S\$0.20. The highest and lowest closing market prices and the volume of Shares traded on the SGX-ST for each of the past six (6) calendar months, and for the period from 1 May 2016 to 24 May 2016, are as follows:

	Lowest Price (S\$)	Highest Price (S\$)	Volume of Traded Shares
November 2015	0.004	0.006	35,269,800
December 2015	0.003	0.005	65,634,300
January 2016	0.003	0.005	76,264,000
February 2016	0.003	0.005	40,652,700
March 2016	0.003	0.006	231,121,500
April 2016	0.004	0.006	68,086,800
1 May 2016 to 24 May 2016	0.005	0.006	121,160,600

Source: Bloomberg

For illustrative purposes only, the VWAP of the Shares for the six (6) months prior to the date of this announcement is S\$0.004930, which fails to meet the MTP requirement of \$0.20.

On the assumption that the Proposed Share Consolidation had been in place for the six (6) months prior to the date of this announcement, the theoretical adjusted 6-month VWAP for the Consolidated Shares would be S\$0.4930.

The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders as the Proposed Share Consolidation would facilitate the Company's ability to satisfy the MTP Requirement.

Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

2.3 Approvals and Conditions

The Proposed Share Consolidation is subject to, *inter alia*:

- (a) the approval of the SGX-ST for the Proposed Share Consolidation and for the listing and quotation of the Consolidated Shares on the Mainboard of the SGX-ST; and
- (b) the approval of Shareholders by way of ordinary resolution at the EGM to be convened.

An application will be made to the SGX-ST for the listing and quotation of the Consolidated Shares on the Mainboard of the SGX-ST. An announcement on the outcome of the application will be made in due course.

3. DESPATCH OF CIRCULAR

Subject to the receipt of approval in-principle from the SGX-ST, a circular containing, *inter alia*, notice of the EGM and further details on the Proposed Share Consolidation will be despatched to Shareholders in due course.

In the meantime, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. When in doubt, Shareholders and potential investors should seek independent advice from their bankers, stockbrokers, solicitors or other professional advisers.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Share Consolidation, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

Carlson Clark Smith
Executive Director and Chief Financial Officer
24 May 2016