

# IPCO INTERNATIONAL LIMITED

(Company Registration No. 199202747M)

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## UPDATE OF INVESTMENT IN HAI YANG ZHONG HUAN NATURAL GAS CO., LTD

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The Board of Directors (“The Board”) of Ipco International Limited (the “**Company**”) refers to its announcement dated 22 October 2015 in relation to the investment in Hai Yang Zhong Huan Natural Gas Co., Ltd (“**Hai Yang Zhong Huan**”).

The Company’s China subsidiary, Hubei Zhong Lian Huan Energy Investment Management Limited (“**Hubei Zhong Lian Huan**”), has agreed to pay a transfer fee of Rmb1 million (equivalent to S\$216,346.00) (the “**Transfer Fee**”) in exchange for China Environmental Energy Protection Investment Limited (“**China Environmental**”)’s right to invest in Hai Yang Zhong Huan (the “**Transfer**”).

The Transfer Fee of Rmb1 million was arrived at after taking into consideration that China Environmental will not be investing directly into Hai Yang Zhong Huan due to the streamlining of the natural gas distribution network business under one subsidiary, Hubei Zhong Lian Huan, thereby paving the way for its expansion after listing on the Third Board in China. (*please refer to the Company’s announcement dated 13 October 2015*)

The Transfer is part of the Group’s internal restructuring process to streamline the Group’s investments.

Taking into account there is no cost incurred by the Company for this Transfer, there will not be any material impact on the consolidated net tangible asset value and earnings per share of the Company for the current financial year ending 30 April 2016.

None of the Directors or substantial shareholders of the Company has any interest whether direct or indirect in the aforesaid transaction save for their shareholdings in the Company.

The Company shall continue to provide the shareholders with further updates as and when there are material developments in relation to Hai Yang Zhong Huan.

Shareholders are advised to exercise caution in trading their Shares and should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

By the Order of the Board  
Carlson Clark Smith  
Executive Director and Chief Financial Officer  
26 October 2015