

IPCO INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199202747M)

MATERIAL DIFFERENCE BETWEEN AUDITED AND UNAUDITED FINANCIAL STATEMENT

The Board of Directors of Ipco International Limited ("Company") refers to the announcement made on 27 June 2014 on the full year unaudited financial statements of the Company and its subsidiaries ("Group") for the financial year ended 30 April 2014.

The Company wishes to announce, pursuant to Rule 704(6) of the Listing Manual of the SGX-ST, a material adjustment made following the finalization of the Group's audit.

The differences between the audited and unaudited financial statement have been adjusted as follows:

	Group Audited As at 30/04/14 S\$'000	Group Unaudited (as per announcement) As at 30/04/14 S\$'000	Difference S\$'000	Note
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
Revenue				
Sale of goods	13,208	13,208	-	
Sale of land lots	160	160	-	
Natural gas installation, connection, delivery and usage	19,880	19,880	-	
	33,248	33,248	-	
Other items of revenue/(expense)				
Available-for-sale financial assets				
- fair value gain transferred from fair value reserve	11,624	-	11,624	1
- net (loss)/gain on disposal	(11,363)	261	(11,624)	1
Financial assets, at fair value through profit or loss				
- fair value gain/(loss)	(100,180)	(100,180)	-	
- net loss on disposal	(7,936)	(16,688)	8,752	2
Other income	9,033	12,322	(3,289)	2 & 4
	(98,822)	(104,285)	5,463	
Total revenue	(65,574)	(71,037)	5,463	
Other items of expense				
Changes in inventories of finished goods, work-in-process and land held for sale	935	1,134	(199)	3
Work-in-process and land held for sale				
Raw materials and consumables used	(22,311)	(22,311)	-	
Land development costs	-	(199)	199	3
Amortisation of intangible assets	(1,216)	(1,216)	-	
Depreciation of property, plant and equipment	(2,329)	(2,329)	-	
Allowance for impairment loss of property, plant and equipment	(597)	(597)	-	
Allowance for impairment loss of associate companies	(2,007)	(1,652)	(355)	5
Allowance for impairment loss of available-for-sale financial asset	(51,748)	(51,748)	-	
Allowance for doubtful receivables	(3,767)	(76)	(3,691)	6
Allowance for doubtful non-trade receivables	-	(3,672)	3,672	6
Employee benefits expenses	(6,419)	(6,419)	-	
Finance costs	(1,201)	(1,201)	-	
Operating lease expenses	(509)	(509)	-	
Other operating expenses	(4,673)	(4,712)	39	4, 5 & 6
Total operating expenses	(95,842)	(95,507)	(335)	

	Group Audited As at 30/04/14 S\$'000	Group Unaudited (as per announcement) As at 30/04/14 S\$'000	Difference S\$'000	Note
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
Share of results of associated company, net of tax	-	-	-	
Share of results of a joint venture, net of tax	-	-	-	
(Loss)/Profit before income tax	(161,416)	(166,544)	5,128	4
Income tax expense	(210)	(340)	130	7
(Loss)/Profit for the financial year	(161,626)	(166,884)	5,258	4 & 7
Other comprehensive income :				
Items that may be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Fair value (loss)/gain	(143,831)	(155,455)	11,624	1
- transfer to profit or loss upon disposal	(11,624)	-	(11,624)	1
Exchange differences on translating foreign operations	878	878	-	
Disposal of a subsidiary	-	5,128	(5,128)	4
Income tax relating to other comprehensive income	-	-	-	
Other comprehensive income for the financial year	(154,577)	(149,449)	(5,128)	4
Total comprehensive income for the financial year	(316,203)	(316,333)	130	7
Profit/(Loss) attributable to :				
Owners of the parent	(149,969)	(155,227)	5,258	4 & 7
Non-controlling interests	(11,657)	(11,657)	-	
	(161,626)	(166,884)	5,258	
Total comprehensive income attributable to :				
Owners of the parent	(304,426)	(304,556)	130	7
Non-controlling interests	(11,777)	(11,777)	-	
	(316,203)	(316,333)	130	
(Loss) per share (in cents)				
Basic/Diluted	(2.94)	(3.04)		8
Weighted Average Number of Shares	5,100,799,986	5,100,799,986		

STATEMENT OF FINANCIAL POSITION

Trade and other receivables	15,831	15,601	230	9
Convertible loan	900	1,130	(230)	9
Current income tax payable	1,404	1,534	(130)	7
Accumulated (losses)/profits	(139,423)	(139,553)	130	7
Net assets value per share	0.02	0.02	-	10

Note:

- 1 Fair value gains transferred from other comprehensive income were net off against the net loss on disposal. The Group made this reclassification for better presentation in the financial statements and to reflect the nature of transaction for user's understanding.
- 2 A realised net gain of \$8,752,000 on disposal of a financial assets, at fair value through profit or loss ("FVTPL") were reclassified from other income and net off against net loss on disposal of FVTPL. This is to reflect the nature of transaction and better presentation in accordance to FRS 1 and 39.
- 3 The land development cost of \$199,000 was part of the changes in land held for sale. To reclassify and present together with changes in inventories.

- 4 To reclassify \$5,128,000 in relation to disposal of a subsidiary, Sun Spirit Group Limited ("SSGL") from other comprehensive income to other income as part of net gain on disposal; the Group had under measured and recognised the remaining 30% equity interest in SSGL amounting to \$353,000 which form part of net gain on disposal according to FRS 27. In the previous unaudited full year announcement, the gain on disposal of SSGL was \$828,000. After the reclassification and adjustment made, the audited total gain on disposal of SSGL was \$6,309,000.
The Group had also eliminated certain administrative income amounting to \$18,000 with other operating expenses.
- 5 \$2,000 of impairment loss was reclassified from other operating expenses and additional impairment loss of \$353,000 in relation to SSGL had been made by the Group subsequent to an impairment review.
- 6 The allowance for doubtful non-trade receivables was classified and presented together with other allowances made for other receivables. The details of the allowance movements were disclosed in respective notes to audited financial statements. In addition, a reclassification was made to reclassify an allowance of \$19,000 from other operating expenses to allowance for doubtful receivables to reflect the nature of transaction and better presentation in the financial statements.
- 7 \$130,000 represent a write back of over-provision of income tax based on audited profit of the Company.
- 8 The reclassification of \$5,128,000 gain of disposal from other comprehensive income to other income and write back of over-provision of income tax of \$130,000 had reduced the loss for the year.
The Group loss for the financial year has reduced from \$166,884,000 to \$161,626,000 after the above adjustments and the loss per share based on weighted average number of shares of 5,100,799,986 in issue have been adjusted from 3.04 cents to 2.94 cents to reflect the changes.
- 9 An allowance for doubtful receivables of \$230,000 was made during the financial year for the interest receivables related to the convertible loan. The allowance was recognised and classified in trade and other receivables before the audited figures. The amount has been subsequently reclassified to convertible loan to reflect the nature of transaction and better presentation in the financial statements.
- 10 The audited Net Assets of S\$92,342,000 compared with unaudited Net Assets of S\$92,212,000 is due to the write back of overprovision of income tax based on audited profit of the Company and the Net asset value per share remains unchanged at S\$0.02.

By Order of the Board
Carlson Clark Smith
Executive Director and Chief Financial Officer
12 August 2014