

# IPCO INTERNATIONAL LIMITED

(Incorporated in Singapore)

(Company Registration Number 199202747M)

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**SUBSCRIPTION OF 880,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF IPCO INTERNATIONAL LIMITED (THE “SUBSCRIPTION SHARES”) AT S\$0.0018 PER SUBSCRIPTION SHARE TO RAISE GROSS PROCEEDS OF S\$1,584,000 –**

## **FURTHER INFORMATION OF CAPRI PROJECT**

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### **1. INTRODUCTION**

The Board of Directors (the “**Board**” or “**Directors**”) of IPCO International Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s following announcements:

- (a) the announcement dated 3 July 2017 relating to its entry into a subscription agreement dated 3 July 2017 with Meridian Equities Pte. Ltd. (the “**Subscriber**”) pursuant to which the Company has agreed to allot and issue, and the Subscriber has agreed to subscribe for, 880,000,000 new ordinary shares in the capital of the Company (the “**Subscription Shares**”) at an issue price of S\$0.0018 per Subscription Share for an aggregate subscription amount of S\$1,584,000 (the “**Subscription**”); and
- (b) the announcement dated 29 August 2017 relating to receipt of approval-in-principal from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation for the 880,000,000 Subscription Shares on the Main Board of the SGX-ST (the “**AIP Announcement**”).

Unless otherwise defined, capitalised terms herein shall have the same meaning as that set out in the AIP Announcement.

**It should be noted that the SGX-ST’s AIP is not to be taken as an indication of the merits of the Subscription, the Subscription Shares, the Company and/or its subsidiaries.**

### **2. AIP CONDITIONS**

- 2.1. As stated in the AIP Announcement, the SGX-ST’s AIP is subject to, amongst others, the condition that the Company makes an announcement via SGXNET disclosing:
  - a) the findings of the feasibility study on Capri Investment LLC’s (“**Capri**”) development comprising of 261 lots; and
  - b) the milestones and timelines for obtaining regulatory approvals, and for construction, completion and marketing of Capri’s development comprising 261 lots

The findings of the feasibility study on Capri development comprising of 261 lots

- 2.2. Barghausen Consulting Engineers, Inc. (“**Barghausen**”) was commissioned by Capri in the second quarter of 2016 to assist Capri with planning the development of 261 lots (the “**Project**”). Established in 1982, Barghausen is a multi-disciplined professional services firm offering civil engineering, land surveying, land use planning, and related services. Their corporate headquarters is located in Kent, Washington near Seattle in the United States of America (the “**USA**”). Please refer to Barghausen’s website at <http://www.barghausen.com/> for further information on the firm.
  
- 2.3. Barghausen’s feasibility study, which was completed in June 2016, recommended that under existing zoning and environmental permits, the best use of Capri’s remaining undeveloped land holdings would be to design a plat layout for 261 home lots on approximately 84 acres of available land lying outside a sensitive water protection zone. The feasibility study also noted that an on-site sewage disposal system would be a critical component of the required infrastructure. The study identified several sewage disposal system design options and pointed out that the choice of the optimal solution would require additional professional guidance. Accordingly, Capri commissioned Associated Earth Sciences, Inc (“**AESI**”) to conduct groundwater studies of the Project site.  
  
AESI is a multi-disciplinary, geotechnical engineering, hydrogeological, geological, and environmental consulting firm based in Kirkland, Washington, USA. Please refer to AESI’s website at <https://www.aesgeo.com/> for further information on the firm. AESI finished its study and issued its findings in early 2017.
  
- 2.4. Capri engaged the professional services of ADC Wastewater Engineering (“**ADC**”) to analyse the results of the groundwater tests conducted by AESI and to propose a treatment system adequate to protect the local water supply. Located in Tacoma, Washington, USA, ADC is an engineering firm specializing in decentralized wastewater treatment, reclamation and reuse. Please refer to ADC’s website at <http://adcinfo.com/> for further information on the firm.
  
- 2.5. Based upon a review of the Project to create a plat with 261 home sites, the groundwater test results, and available treatment technologies, ADC concluded that the most cost-effective treatment system would be a Large On-site Sewage System (“**LOSS**”) to be placed over 3200 feet from the west property line of the Project site. The proposed LOSS system will be designed to ensure compliance with all applicable groundwater standards and will be developed in conjunction with input received from the Pierce County Department of Health, which has jurisdiction over these matters.
  
- 2.6. Based on these analyses and recommendations, in May 2017 Barghausen developed a preliminary site plan to incorporate the area needed for the LOSS system, roads, open space, and the 261 home lots. This draft site plan has been submitted to the appropriate governing departments in Pierce County and will be the subject of a public hearing scheduled for 18 October 2017. Governmental approval of the site plan is expected within thirty (30) days of the hearing date. Once approvals are received, a conceptual grading and utility extension plan will be prepared along with a detailed cost estimate. At that point all of the preparatory work will have been completed to enable a developer to build the infrastructure required for homes to be built on the 261 lots.

The milestones and timelines for obtaining regulatory approvals, and for construction, completion and marketing of Capri's development comprising 261 lots

2.7. The Board wishes to set out the various milestones and estimated timelines for obtaining regulatory approvals, of the Project. Please note that the estimated timeline set out below is indicative only. The Company will make further announcements if there are material changes to the indicative timeline set out below.

<b><u>Action</u></b>	<b><u>Indicative timeline</u></b>
Signing of listing agreement with TeamBuilder KW LLC, a licensed real estate brokerage firm providing sales and marketing services to new home builders and developers	On or before 15 September 2017
Preparing advertising and sales materials	15 September to 30 September 2017
<ul style="list-style-type: none"> <li>a) Contacting prospects in the home builder community and soliciting bids from interested parties</li> <li>b) Commencing work for pond relining</li> <li>c) Commencing engineering work to design and seek approval for waste water management system</li> </ul>	1 October 2017
Receipt of comments from Pierce County Planning Department ("PCPD") regarding Capri's document submissions, made during June 2017 to August 2017, for the Triennial Review Hearing on 18 October 2017	8 October 2017
Preparing responses to comments from PCPD on new development and conferring with PCPD officials prior to hearing	8 October to 17 October 2017
Pierce County Triennial Review Hearing	18 October 2017
<ul style="list-style-type: none"> <li>a) Receipt of bids from prospective developers</li> <li>b) Negotiating the real estate purchase and sale agreement with highest bidder</li> </ul>	15 October 2017 to October 31 2017
<ul style="list-style-type: none"> <li>a) Placing of earnest money (deposit) by the highest bidder in escrow during feasibility period</li> <li>b) Completing pond relining</li> </ul>	31 October 2017
Receipt of results of quarterly ground water tests and submission of the same to Washington State Department of Health	1 November 2017

Preparing detailed development cost estimate	November 2017 to December 2017
Receipt of Pierce County's comments concerning conceptual grading and utility extension plan	18 November 2017
Conclusion of the feasibility period and release of deposit to Capri	31 January 2018
Receipt by Capri of half of the purchase price (less the deposit) from the highest bidder	July, 2018
Receipt by Capri of remaining half of purchase price from the highest bidder	December, 2018

The Board wishes to clarify that Capri intends to sell the 261 lots to a real estate development firm, who will be responsible for the major capital expenditures involved in preparing the lots to be ready for construction of houses. The marketing and sale of the finished lots to specialized home builders will be done by the developer who purchases the 261 lots from Capri.

**BY ORDER OF THE BOARD**

Carlson Clark Smith  
Executive Director and Chief Financial Officer  
5 September 2017