

IPCO INTERNATIONAL LIMITED

(Company Registration No. 199202747M)

DISCLOSURE UPDATE FOR USE OF SHARE PROCEEDS

The Board of Directors of Ipco International Limited (the "Company") would like to provide an update to the announcements dated 3 July 2017, 29 August 2017, 6 September 2017, 4 October 2017, 31 October 2017 and 1 December 2017, concerning the use of proceeds from the private share placement.

The Private Placement of 880,000,000 ordinary shares to Meridian Equities Pte. Ltd. was completed at the Issue Price of S\$0.0018 per Placement Share. A total of S\$1,584,000.00 was raised from the placement of new ordinary shares in the Company. The proceeds, which were received on 7 September 2017, have thus far been primarily utilised for working capital purposes, as detailed in the table below:

	Amount S\$'000	Amount S\$'000
Funds raised		1,584
Actual use of proceeds to 31 December 2017:		
Placement expenses	(35)	
Payroll expenses	(331)	
Legal professional fees	(76)	
Audit and Tax professional fees	(46)	
Annual report printing and postage charges	(25)	
Office Rental	(69)	
General & Admin expenses	(146)	
Sub-total	<hr/>	(728)
Capri Property Development of 261 land lots:		
Division 4 Development Cost	(29)	
Legal and Professional fees	(10)	
Property Tax	(29)	
Sub-total	<hr/>	(68)
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Balance proceeds as at 31 December 2017		788
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The aforementioned use of proceeds is in accordance with the intended use as stated in the previous announcement dated 6 September 2017, except that some elements of funding for Capri property development have been delayed pending further regulatory proceedings and approvals.

The Pierce County Triennial Review Hearing, originally scheduled for 18 October 2017, was postponed to 8 November 2017 to allow additional comments from the public. The next hearing was originally scheduled to be held on 6 December 2017 and has rescheduled to 14 February 2018.

As part of its regulatory strategy to maximize chances for approval of the 261 lots, Capri LLC intends to offer concessions regarding future lot entitlements, as it is Capri management's assessment that development of lots beyond the 261 currently envisaged will depend on several uncontrollable factors such as road corridor expansion and environmental considerations that will be need to be addressed sometime in the future. The Company agrees with Capri management's strategy in that approval of the 261 lots is of much greater importance, especially for near-term cash flow.

By the Order of the Board

Carlson Clark Smith
Executive Director and Chief Financial Officer
2 January 2018