

# IPCO INTERNATIONAL LIMITED

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

---

## SUBSCRIPTION OF 200,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF IPCO INTERNATIONAL LIMITED (THE "SUBSCRIPTION SHARES") AT S\$0.0027 PER SUBSCRIPTION SHARE TO RAISE GROSS PROCEEDS OF S\$540,000

---

### 1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**" or "**Directors**") of IPCO International Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company has entered into a subscription agreement dated 29 June 2016 ("**Subscription Agreement**") with Thong Soon Seng ("**Subscriber**"). Pursuant to the terms of the Subscription Agreement, the Company has agreed to allot and issue, and the Subscriber has agreed to subscribe for, 200,000,000 Subscription Shares at an issue price of S\$0.0027 per Subscription Share ("**Issue Price**"), on the terms and subject to the conditions of the Subscription Agreement, for an aggregate subscription amount of S\$540,000 (the "**Subscription**"). In this announcement, "**Shares**" means the ordinary shares in the capital of the Company.
- 1.2 The Company will allot and issue the Subscription Shares pursuant to the general share issue mandate ("**General Mandate**") approved by the shareholders of the Company (the "**Shareholders**") by way of an ordinary resolution, at the annual general meeting of the Company held on 28 August 2015. The allotment and issue of the Subscription Shares is within the limits of the General Mandate.
- 1.3 The Subscription will be carried out pursuant to Section 272B of the Securities and Futures Act (Cap. 289) of Singapore. As such, no prospectus or offer information statement will be issued in connection with the Subscription.

### 2. SUBSCRIPTION

#### 2.1 Subscription Shares and Issue Price

- 2.1.1 The Subscription Shares will, when issued and fully paid-up, be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the Shares existing as at the date of issue of the Subscription Shares, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of issue of the Subscription Shares.
- 2.1.2 The Issue Price represents a discount of approximately 10% to the weighted average price of S\$0.003 for each Share based on trades done on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 27 June 2016 up to the time of the Company's trading halt on 28 June 2016.

2.1.3 The Company will apply to the SGX-ST for the admission of the Subscription Shares to the Official List of the SGX-ST and for the listing and quotation of the Subscription Shares on the SGX-ST. The Company will make necessary announcements upon receipt of the approval-in-principle from the SGX-ST for the listing of and quotation of the Subscription Shares.

## 2.2 Conditions

The Subscription is conditional upon, *inter alia*:

2.2.1 the approval in-principle for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST being obtained from the SGX-ST and not revoked or amended as at the date of completion of the Subscription and, where such approval is subject to conditions, such conditions being acceptable to the Subscriber; and

2.2.2 the issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreement by any applicable legislative, executive or regulatory body or authority of Singapore.

If the conditions set forth in the Subscription Agreement are not satisfied within 4 weeks from the date of the Subscription Agreement (or such other date as may be mutually agreed between the parties), the Subscription Agreement shall terminate and the obligations of the Company to issue the Subscription Shares and the Subscriber to subscribe for the Subscription Shares shall *ipso facto* cease and determine thereafter.

## 3. INFORMATION RELATING TO THE SUBSCRIBER

The Subscriber is a Singapore businessman with more than 5 years of experience in property development in China.

The Subscriber was referred to the Company by Wilson On, the operations manager of Hubei Zhong Lian Huan Energy Investment Management Limited, a subsidiary of the Group. The Subscriber has confidence in the growth and long-term prospects of the Company. The Subscriber is independent of the Company, the Directors and substantial shareholders of the Company. He is subscribing for the Subscription Shares for his own investment purposes.

The Subscriber has confirmed and represented that, *inter alia*, he is not a person who falls within Rule 812 of the Listing Manual of the SGX-ST. The Subscriber has further confirmed that none of the Subscription Shares will be held by him as a trustee or nominee of a third party.

No placement agent has been appointed in relation to the Subscription and no commission or finder's fee is payable by the Company to any person in relation to the Subscription.

## 4. FINANCIAL EFFECTS

The *pro forma* financial effects of the Subscription on the Group are set forth below and were prepared based on the unaudited consolidated financial statements of the Group for the financial year ended 30 April 2016 ("FY2016"), subject to the following assumptions:

- (a) the Subscription Shares are fully subscribed for;
- (b) the expenses incurred by the Company in connection with the Subscription is approximately S\$52,000;
- (c) for the purpose of calculating the net asset value (“NTA”) per share after the Subscription, it is assumed that the Subscription was completed on 30 April 2016; and
- (d) for the purpose of computing the earnings per share (“EPS”) of the Group after the Subscription, it is assumed that the Subscription was completed on 1 May 2015.

The *pro forma* financial effects are presented for illustration purposes only, and are not intended to reflect the actual future financial situation of the Company or the Group.

#### 4.1 Share Capital

On the assumption that all the Subscription Shares are fully subscribed for, the Company’s issued and paid-up share capital (excluding treasury shares) as at the date of this announcement (the “**Existing Share Capital**”) will increase from S\$263,687,043.25 comprising 5,100,799,986 Shares to S\$264,227,043.25 comprising 5,300,799,986 Shares. The Subscription Shares represent approximately 3.92% of the Existing Share Capital and approximately 3.77% of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company after the Subscription.

#### 4.2 NTA per Share

The effect of the Subscription on the Company’s NTA per Share as at 30 April 2016 will be as follows:

	As at 30 April 2016	Immediately following issuance of the Subscription Shares <sup>1</sup>
Consolidated NTA attributable to the shareholders of the Company (S\$’000)	38,705	39,245
Number of Shares (excluding treasury shares)	5,100,799,986	5,300,799,986
Consolidated NTA per Share attributable to the shareholders of the Company (Singapore cents)	0.76	0.74

**Notes:**

1. Assuming that all 200,000,000 Subscription Shares are fully subscribed for as at 30 April 2016, being the end of FY2016.

#### 4.3 EPS

The effect of the Subscription on the EPS of the Company for FY2016 will be as follows:

	FY2016	Immediately following issuance of the Subscription Shares <sup>1</sup>
Consolidated profit after taxation and minority interests (S\$'000)	527	475
Weighted average number of Shares (excluding treasury shares)	5,100,799,986	5,300,799,986
Consolidated EPS (Singapore cents)	0.01	0.01

**Notes:**

1. Assuming that all 200,000,000 Subscription Shares are fully subscribed for as at 1 May 2015, being the beginning of FY2016.

#### 5. USE OF PROCEEDS

On the completion of the Subscription, the Company expects to receive estimated gross proceeds of approximately S\$540,000 from the issue of the Subscription Shares ("**Gross Proceeds**"). After deducting from the Gross Proceeds the estimated expenses pertaining to the Subscription of approximately S\$52,000, the estimated net proceeds from the Subscription will be approximately S\$488,000 ("**Net Proceeds**").

The Company intends to apply such Net Proceeds for the following purposes:

---

Proposed use of Net Proceeds	% of Net Proceeds from the issue of the Subscription Shares
(a) General working capital of the Group	100%

---

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may be placed as deposits with banks and/or financial institutions, invested in short-term money markets or debt instruments or for any other purpose on a short-term basis as the Directors may, in their absolute discretion, deem fit from time to time.

The Company will make periodic announcements on the use of the Net Proceeds as and when such proceeds are materially disbursed, including whether the use is in accordance with the intended use as announced and specific details on the use of proceeds for working capital. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation. The Company will provide a status report regarding the same in its annual report.

## **6. CONFIRMATION BY THE DIRECTORS**

- 6.1 The Directors are of the opinion that after taking into consideration the Group's present internal resources, operating cash flows and present bank facilities available to the Group, the Group has sufficient working capital to meet its present requirements. Notwithstanding the above, the purpose of the Subscription is to raise funds for general working capital of the Group as described in paragraph 5 of this announcement.
- 6.2 The Directors are of the opinion that, after taking into consideration, the Group's present internal resources, operating cash flows, present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

## **7. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed above, none of the Directors or substantial shareholders of the Company (other than in his capacity as Director or Shareholder as the case may be) has any interest, direct or indirect in the Subscription. To the best of the knowledge of the Board, there are no substantial shareholders in the Company who have any interest, direct or indirect, in relation to the Subscription.

## **8. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the the Subscription Agreement is available for inspection during normal business hours at the Company's registered office at 24 Pandan Road, Singapore 609275, for a period of 3 months from the date of this announcement.

## **BY ORDER OF THE BOARD**

Carlson Clark Smith  
Executive Director and Chief Financial Officer  
29 June 2016