

IPCO INTERNATIONAL LIMITED

(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 29 June 2017 concerning the full year unaudited financial statements of the Company and its subsidiaries ("Group") for the financial year ended 30 April 2017.

The Company wishes to announce, pursuant to Rule 704(6) of the Listing Manual of the SGX-ST, material adjustments made following the finalisation of the Group's audited financial statements for the year ended 30 April 2017.

The differences between the audited and unaudited financial statements are as follows :

Consolidated Statement of Comprehensive Income	Note	Group Audited As at 30/04/17 S\$'000	Group Unaudited As at 30/04/17 S\$'000	Difference S\$'000
Other items of revenue/(expenses)	1	2,166	3,943	(1,777)
Income tax expense		(1,177)	(1,177)	-
Adjustments to Profit for the financial year		989	2,766	(1,777)
Other comprehensive income:				
Exchange differences on translating of foreign operations	1(i)	379	(1,553)	1,932
Adjustment to total comprehensive income for the financial year	1(ii)	1,368	1,213	155

Note 1

The revision to audited Other items of revenue/(expenses) of S\$2,166,000 compared to unaudited Other items of revenue/(expenses) of S\$3,943,000 is due to :

- (i) a reclass of S\$1,932,000 exchange gains arising from translation difference of long term quasi-equity loan to a subsidiary from profit or loss to Other comprehensive income for the financial year.
- (ii) a reversal of S\$155,000 allowance made for doubtful other receivables subsequent to collection.

As a result of the changes in Note 1, the Earnings per share of 0.03 cents has been revised to an audited Loss per share of 0.004 cents.

Statement of Financial Position	Note	Group Audited As at 30/04/17 S\$'000	Group Unaudited As at 30/04/17 S\$'000	Difference S\$'000
Non-current assets				
Other receivables	2	2,946	3,237	(291)
Current assets				
Trade and other receivables	3	9,339	8,871	468
Current liabilities				
Trade and other payables	3	(25,404)	(25,439)	35
Current income tax payable	3	(920)	(863)	(57)
Net Current Assets		(16,985)	(17,431)	446
Changes to Net Assets		(14,039)	(14,194)	155
Equity				
Other reserves	4	(21,612)	(28,117)	6,505
Accumulated losses	5	(144,468)	(138,148)	(6,320)
Non-controlling interests("NCI")	6	(4,005)	(3,975)	(30)
Changes to Total Equity		(170,085)	(170,240)	155

Note 2

The revision to audited Non-current Assets of S\$118,410,000 compared to unaudited Non-current Assets of S\$118,701,000 is due to reclassification of S\$291,000 prepayments to short term prepayments included in Trade and other receivables.

Note 3

The revision to audited Net-current liabilities of S\$3,460,000 compared with unaudited Net-current liabilities of S\$3,906,000 is due to :

Other receivables

- (i) a reclassification of S\$291,000 prepayments from long term other receivables of China subsidiaries.
- (ii) a reclassification of S\$22,000 credit balance to other payables.
- (iii) a net reversal of S\$155,000 allowance for doubtful other receivables subsequent to collection.

Other payables

- (iv) a reclassification of S\$22,000 credit balance from other receivables.
- (v) a reclassification of S\$57,000 to current income tax payable

Current income tax payable

- (vi) a reclassification of S\$57,000 from other payables

Note 4

The revision to audited Other reserves of S\$21,612,000 compared with unaudited Other reserves S\$28,117,000 is due to:

- (i) Prior years translation effect recorded in Accumulated Losses of S\$4,335,000 transferred to Other reserves.
- (ii) A reclass of S\$1,932,000 exchange gain arising from translation of long term quasi-equity loan to a subsidiary from profit or loss to Other comprehensive income included in Other Reserves.
- (iii) An adjustment of S\$238,000 on share of foreign exchange translation loss by NCI.

Note 5

The revision to audited Accumulated losses of S\$144,468,000 compared with unaudited Accumulated losses of S\$138,148,000 is due to:

- (i) Prior years translation effect of S\$4,335,000 as explained in Note 4(i).
- (ii) Changes to current year profit of S\$1,777,000 as explained in Note 1.
- (iii) An Adjustment of S\$208,000 on share of profit by NCI.

Note 6

The revision to audited NCI of S\$4,005,000 compared with unaudited NCI of S\$3,975,000 is due mainly to :

- (i) An adjustment of S\$208,000 on share of profit by NCI.
- (ii) An adjustment of S\$238,000 on share of foreign exchange translation loss by NCI.

As a result of the changes in Note (2) to Note (6), the audited Net Assets of the Company are S\$94,142,000 as compared to the unaudited Net Assets of S\$93,987,000.

BY ORDER OF THE BOARD

Carlson Clark Smith
Executive Director and Chief Financial Officer
14 August 2017