

# **IPCO INTERNATIONAL LIMITED**

(Company Registration Number 199202747M)

Incorporated in Singapore

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## **UPDATE ON GAS PIPELINE EXPANSION IN THE CITIES OF GUANGSHUI AND ANLU IN HUBEI PROVINCE, PEOPLES' REPUBLIC OF CHINA**

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The Board of Directors of Ipco International Limited (the “**Company**”) wishes to announce recent developments concerning its natural gas distribution subsidiaries in the Peoples' Republic of China (“PRC”). The Company, through its wholly-owned subsidiary Excellent Empire Limited, which in turn through its wholly-owned subsidiary China Environment Energy Protection Investment Limited (“China Environmental”), holds an 85% equity interest in Hubei Zonglianhuan Energy Investment Management Inc. (“Hubei Zonglianhuan”), which in turn holds 100% equity interests in four companies supplying natural gas under 30-year exclusive contracts in the cities of Anlu, Dwau, Xiaochang, and Guangshui in Hubei Province, PRC. These contracts have an average remaining life of 20 years.

### **GUANGSHUI GAS PIPELINE EXPANSION**

On 30 September 2017, the subsidiary in Guangshui completed construction of a substation link and an 18 km pipeline from Yang Zhai to Wang Jia Peng. This pipeline will enable natural gas transmission from the new substation link to our Phase One network in Guangshui, as well as a new industrial park. The total cost was approximately Rmb 65 million, which should provide the infrastructure required to support revenue and earnings growth as the customer base continues to expand.

### **ANLU GAS PIPELINE EXPANSION**

The subsidiary in Anlu intends to build a 28 km new gas pipeline from the Xiaochang gateway station to the Anlu new sub-station. Construction is expected to commence in 2018 at a total cost of approximately Rmb 70 million.

The new pipeline will enable the Anlu subsidiary to increase its natural gas supply to 880 million cubic meters per annum, allowing the transmission and distribution of natural gas to new geographic areas and to meet higher demand during the winter season. In addition, factories in the area that are currently using coal are converting to natural gas.

The construction will be funded by the Company's internal resources and local bank borrowings and is not expected to have a material impact on the Group's earnings per share or net tangible assets for the financial year ending 30 April 2018.

None of the Directors or substantial shareholders of the Company has any interest, whether direct or indirect, in the aforementioned transaction save for their shareholdings in the Company.

The Company will continue to provide shareholders with updates as and when there are material developments in relation to Anlu new gas pipeline expansion project.

In the meantime, the Board of Directors wishes to advise shareholders and investors to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

**BY ORDER OF THE BOARD**

Carlson Clark Smith  
Executive Director and Chief Financial Officer  
6 October 2017