

IPCO INTERNATIONAL LIMITED

(Company Registration No.199202747M)
(Incorporated in the Republic of Singapore)

APPLICATION FOR AN EXTENSION TO HOLD ITS ANNUAL GENERAL MEETING IN RESPECT OF IPCO INTERNATIONAL LIMITED

The Board of Directors (the “**Board**”) of Ipco International Limited (the “**Company**”) wishes to announce that on 14 August 2018, an application was made by the Company to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), for an extension of time to hold its annual general meeting (“**AGM**”) for the financial year ended 30 April 2018 from the current deadline of 31 August 2018 pursuant to Rule 707(1) of the SGX-ST Listing Manual to 30 October 2018 (“**Waiver**”).

Under Rule 107, the Exchange may waive or modify compliance with a listing rule (or part of a rule) either generally or to suit the circumstances of a particular case, unless the listing rule specifies that the Exchange will not waive it. The Exchange may grant a waiver subject to such conditions, as it considers appropriate. If the Exchange waives a listing rule (or part of a rule) subject to a condition, the condition must be satisfied for the waiver to be effective. Where a waiver is granted, the issuer must announce the waiver, the reasons for seeking the waiver and the conditions, if any, upon which the waiver is granted as soon as practicable.

The SGX-ST has on 14 September 2018 granted the application for a waiver to hold its AGM by 30 October 2018 subject to the following conditions:

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Listing Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met; and
- (b) the Company convening the annual general meeting by 30 October 2018.

Further, it is also a requirement that extension will provide the Company with sufficient time to resolve any outstanding issues on matters that will have an impact on the Group’s financial statements. The Company is required to despatch its annual report for the financial year ended 30 April 2018 by 16 October 2018, failing which the Exchange will suspend trading of the Company’s shares until the Company’s state of affairs is clear.

The reasons for the Company making such an application for the Waiver were as follows:

- (a) Since the appointment of the Company’s 2 new independent directors, namely, Mr. Ng Fook San and Mr. Joseph Chen, they have been carrying out a review of the Company’s financial and operational positions.
- (b) In this connection, they have raised certain questions with the previous management and its statutory auditors with regard to certain transactions as they appear to impact the financial statements and positions of the Company and its subsidiaries (“**Group**”) as previously reported.
- (c) The issues that the new directors have raised with the auditors while carrying out their review are as follows:-
 - (i) the basis of the valuation reports commissioned by the previous board on the land held by the Company’s United States’ subsidiary, Capri Investments LLC (“**Capri**”), and the qualifications of the valuers who reported the value. The new directors have since commissioned CJM Property Advisors (“**CJM**”) to carry out a valuation. Based on the CJM valuation report, it would appear to render the value of Capri and the net tangible assets of the Group to be materially different from that reported previously;

- (ii) the Independent Directors have also enquired of the previous auditors, seeking clarifications on the sale of 30% of the shares held by the Company's subsidiary China Environmental Energy Protection Investment Ltd (“**CEEP**”) in Hubei Zonglianhuang Investment Management Inc to HeShun Investment Management Centre LLP (“**Heshun**”) and Mr On Wang Sang (“**Mr On**”) in March and May of 2015. The Company's audited accounts as at 30 April 2015, 2016 and 2017 have shown that CEEP still retained substantially the shares which were sold. The issue facing the Company now is whether the group's asset valuations and income statements were correctly stated as confirmed by the previous management and directors despite a legal opinion obtained by the Company in 2016 confirming the sale and completed transfer of the 30% shares to Heshun and Mr On; and
- (iii) whether a loan allegedly advanced by former CEO Quah Su Ling (“**Quah**”) to the Company of some S\$266,000 was in fact made and whether and how this loan came to be subsequently assigned and transferred to the ex-Interim CEO, Goh Hin Calm (“**Goh**”) by Quah. The Company is looking for documents to support this claim; and
- (iv) These matters cited have an impact on the Group's net tangible assets and opening balances, which the Company's auditors have been reviewing in order to make certain adjustments to the Group's financial statements and to express certain key audit matters as a result. In addition, the Company has requested but has not yet obtained working papers from its previous auditors for the current auditors' review in connection with some of the matters cited above. For these reasons, the audited accounts for the full year ending on 30 April 2018 have not been completed as additional alternative procedures are required to be performed by the current auditors. The new board is in discussions with the current auditors to resolve these matters with a view to restating some of the financial figures previously reported and providing explanations for their discrepancies. These matters will likely be key audit matters that will be emphasized by the current auditors in their auditors' report.

The Company through this announcement, has fulfilled the conditions set by the Exchange for granting the Waiver, and to this end, the Company will despatch its annual report for the financial year ended 30 April 2018 by 16 October 2018, and hold its AGM by 30 October 2018, failing which the Company understands and accepts that the Exchange will exercise its right to suspend trading of the Company's shares until the Company's state of affairs is clear.

In the meantime, the Board 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

Allan Tan
Company Secretary

17 September 2018