

IPCO INTERNATIONAL LIMITED

(Company Registration No. 199202747M)
Incorporated in Singapore

QUARTERLY UPDATE PURSUANT TO RULE 1314(2) OF THE LISTING MANUAL

INTRODUCTION

IPCO International Limited (the “Company”) was placed on the minimum trading price Watch-List pursuant to Rule 1314(2) of the Listing Manual with effect from 5 June 2017. Accordingly, the Company must meet the requirements under Listing Rule 1314(2) within 36 months from 5 June 2017, failing which SGX-ST would delist the Company or suspend trading in the company’s shares with a view to delisting the Company. Listing Rule 1314(2) states that the Company will be assessed by SGX-ST for removal from the Watch-List if it records a volume-weighted average price of at least S\$0.20 and an average daily market capitalisation of S\$40 million or more over the prior six months.

Rule 1313(2) of the Listing Manual requires the Company to provide quarterly updates on its efforts and the progress made in meeting the exit criteria of the watch-List, including where applicable, its financial situation, its future direction, or other material developments that may have a significant impact on its financial position.

The Board of Directors of the Company wishes to provide an update of its efforts to put itself in a position to apply to the SGX-ST for removal from the Watchlist.

The Company is an investment holding company with the objective of building a portfolio of businesses and investments with growth potential that can deliver consistent profits and positive cash flow.

The Company’s core businesses are those operated by its three principal operating subsidiaries as follows:

1. Hubei Zonglianhuan Energy Investment Management Inc., focusing on natural gas distribution in the Peoples’ Republic of China;
2. Capri Investments L.L.C., engaged in real estate development in the State of Washington, USA;
3. ESA Electronics Pte Ltd, based in Singapore and engaged in the electronics sector.

1Q FY2019 UNAUDITED FINANCIAL PERFORMANCE AND FINANCIAL POSITION

The Company released its unaudited financial results on 1 November 2018. For an update on the Group's financial performance and position this can be found on the SGX-ST and the Company's website.

FUTURE DIRECTION

The Company will continue its efforts on improving the performance of its existing manufacturing and gas distribution businesses.

In addition to its existing businesses, the Company is actively looking for attractive acquisition opportunities within the region and has had preliminary discussions with its advisors on a potential capital raising either via a placement or rights issue to improve its working capital position.

The company remains cautiously optimistic that by improving the performance of its three principal operating subsidiaries, it will bring renewed interest in the Company's securities and share price.

The Company continues to meet with its financial advisors to discuss its options, including a possible consolidation of its share capital if determined to be appropriate by the Board in due course.

The Company's outlook is based on reasonable assumptions based on available information concerning the Company's present and future business strategies and the environment in which the Group will operate. These views necessarily involve risks, uncertainties and assumptions. Actual performance can differ materially from the Company's outlook. Shareholders are advised to trade with caution, if they intend to acquire or dispose of their shares.

By Order of the Board

Allan Tan Poh Chye
Company Secretary
1 November 2018