

IPCO INTERNATIONAL LIMITED
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 OCTOBER 2016
These figures have not been audited

1(a)(i) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.						
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Group			Group		
	3 Months to 31/10/16 S\$'000	3 Months to 31/10/15 S\$'000	% Increase/ (decrease)	6 Months to 31/10/16 S\$'000	6 Months to 31/10/15 S\$'000	% Increase/ (decrease)
Revenue						
Sale of goods	6,514	7,322	(11.0)	10,460	14,322	(27.0)
Sale of land lots	-	-	-	-	-	-
Natural gas installation, connection, delivery and usage	7,413	8,315	(10.8)	13,402	14,795	(9.4)
	13,927	15,637	(10.9)	23,862	29,117	(18.0)
Other items of revenue/(expenses)						
Financial assets, at fair value through profit or loss						
- fair value loss	(6)	(287)	(97.9)	(27)	(699)	(96.1)
Other income	1,286	5,063	(74.6)	1,287	6,652	(80.7)
	1,280	4,776	(73.2)	1,260	5,953	(78.8)
Total revenue	15,207	20,413	(25.5)	25,122	35,070	(28.4)
Operating expenses						
Changes in inventories of finished goods, work-in-progress and land held for sale	(963)	(678)	42.0	(46)	(93)	(50.5)
Raw materials and consumables used	(8,032)	(9,082)	(11.6)	(15,080)	(18,710)	(19.4)
Amortisation of intangible assets	(332)	(344)	(3.5)	(663)	(680)	(2.5)
Depreciation of property, plant and equipment	(621)	(644)	(3.6)	(1,226)	(1,512)	(18.9)
Allowance for doubtful receivables, net	(2)	(15)	(86.7)	(42)	(2)	nm
Employee benefits expenses	(1,911)	(1,753)	9.0	(3,694)	(3,166)	16.7
Finance costs	(15)	(75)	(80.0)	(157)	(172)	(8.7)
Operating lease expenses	(127)	(127)	-	(255)	(253)	0.8
Other expenses	(140)	(2,232)	(93.7)	(1,180)	(2,732)	(56.8)
Total expenses	(12,143)	(14,950)	(18.8)	(22,343)	(27,320)	(18.2)
Profit from operations	3,064	5,463	(43.9)	2,779	7,750	(64.1)
Share of results of associated companies, net of tax	-	(12)	nm	-	20	nm
Profit before income tax	3,064	5,451	(43.8)	2,779	7,770	(64.2)
Income tax expense	(464)	(303)	53.1	(603)	(612)	(1.5)
Profit for the financial period	2,600	5,148	(49.5)	2,176	7,158	(69.6)
Other comprehensive income :						
Available-for-sale-financial assets						
- fair value gain/(loss)	138	(572)	nm	(1)	(1,796)	(99.9)
Exchange differences on translating foreign operations	(5)	(935)	(99.5)	(530)	(761)	(30.4)
Other comprehensive income for the financial period	133	(1,507)	nm	(531)	(2,557)	(79.2)
Total comprehensive income for the financial period	2,733	3,641	(24.9)	1,645	4,601	(64.2)
Profit attributable to :						
Owners of the parent	2,136	3,977	(46.3)	2,170	5,378	(59.7)
Non-controlling interests	464	1,171	(60.4)	6	1,780	(99.7)
	2,600	5,148	(49.5)	2,176	7,158	(69.6)
Total comprehensive income attributable to :						
Owners of the parent	2,312	3,070	(24.7)	1,723	3,537	(51.3)
Non-controlling interests	421	571	(26.3)	(78)	1,064	nm
	2,733	3,641	(24.9)	1,645	4,601	(64.2)
nm-not meaningful						

IPCO INTERNATIONAL LIMITED
 FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 OCTOBER 2016
 These figures have not been audited

1(a)(ii) ADDITIONAL INFORMATION ON THE INCOME STATEMENT						
	Group			Group		
	3 Months to 31/10/16 S\$'000	3 Months to 31/10/15 S\$'000	% Increase/ (decrease)	6 Months to 31/10/16 S\$'000	6 Months to 31/10/15 S\$'000	% Increase/ (decrease)
Other Income						
Administrative service fee, rental and corporate guarantee fee from an associated company	-	3	nm	-	7	nm
Foreign exchange gain, net	1,231	4,949	(75.1)	1,143	6,463	(82.3)
Gain on disposal of property, plant and equipment	-	-	-	3	2	50.0
Interest income	43	23	87.0	101	85	18.8
Sundry income	12	88	(86.4)	40	95	(57.9)
	1,286	5,063	(74.6)	1,287	6,652	(80.7)
nm-not meaningful						

IPCO INTERNATIONAL LIMITED
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 OCTOBER 2016
These figures have not been audited

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.					
STATEMENT OF FINANCIAL POSITION		Group As at 31/10/16 S\$'000	Group As at 30/04/16 S\$'000	Company As at 31/10/16 S\$'000	Company As at 30/04/16 S\$'000
Non-current assets					
Intangible assets		49,340	49,259	-	-
Property, plant and equipment		60,708	60,505	140	185
Subsidiaries		-	-	70,761	70,761
Other receivables		3,390	3,533	-	-
Deferred tax assets		1,272	1,282	-	-
		114,710	114,579	70,901	70,946
Current assets					
Available-for-sale financial assets		1,118	1,118	580	580
Inventories		12,331	12,220	-	-
Trade and other receivables		11,211	9,216	62,629	61,061
Financial assets, at fair value through profit or loss		38	65	11	32
Cash and cash equivalents		9,559	10,156	314	158
		34,257	32,775	63,534	61,831
Current liabilities					
Trade and other payables		21,922	22,048	7,033	8,601
Provisions		342	283	327	283
Finance lease liabilities		45	45	45	45
Current income tax payable		845	1,004	-	-
Borrowings		8,322	7,760	-	-
		31,476	31,140	7,405	8,929
Net current assets		2,781	1,635	56,129	52,902
Non-current liabilities					
Other Payables		(410)	(425)	-	-
Finance lease liabilities		(27)	(49)	(26)	(49)
Borrowings		(13,404)	(13,929)	-	-
Deferred tax liabilities		(8,961)	(8,823)	-	-
		(22,802)	(23,226)	(26)	(49)
NET ASSETS		94,689	92,988	127,004	123,799
Equity					
Share capital		264,227	263,687	264,227	263,687
Other reserves		(26,992)	(26,545)	1,961	1,961
Accumulated losses		(138,238)	(139,924)	(139,184)	(141,849)
Equity attributable to owners of the parent		98,997	97,218	127,004	123,799
Non-controlling interests		(4,308)	(4,230)	-	-
TOTAL EQUITY		94,689	92,988	127,004	123,799
** Breakdown as follows:					
Cash and cash equivalents		9,559	10,156		
Less:					
Bank Overdrafts		(2,514)	(1,910)		
Cash pledged for bank facilities		(2,600)	(2,600)		
As per consolidated statement of cash flows		4,445	5,646		

IPCO INTERNATIONAL LIMITED
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 OCTOBER 2016
 These figures have not been audited

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year: (A) the amount repayable in one year or less, or on demand; (B) the amount repayable after one year; (C) whether the amounts are secured or unsecured; and (D) details of any collaterals.				
	As at 31/10/16 Secured S\$'000	As at 31/10/16 Unsecured S\$'000	As at 30/04/16 Secured S\$'000	As at 30/04/16 Unsecured S\$'000
Group Borrowings and Debt Securities				
Amount repayable in one year or less, or on demand	7,565	802	7,015	790
Amount repayable after one year	13,431	-	13,978	-
Details of any collaterals				
a Short Term Borrowings				
(i) The current year's secured short term borrowings of S\$7.57 million and previous year's borrowings of S\$7.02 million comprise : (a) short term bank borrowings of S\$5.01 million in current year as compared to S\$5.06 million in previous year which are secured by property, plant and equipment. (b) the remaining bank borrowings of S\$2.51 million in current year and S\$1.91 million in previous year, are secured by cash pledged for bank facilities. Interest is charged at 5% per annum. (c) S\$0.05 million finance lease liabilities in current and previous year which are secured by leased assets which will revert to the lessors in the event of default. Effective interest rates ranged from 3.48% to 4.3% per annum.				
(ii) The unsecured short term borrowings of S\$0.80 million and S\$0.79 million in current and previous year, were loans from business associates and are unsecured and repayable on demand. Interest is charged at 9.5% per annum.				
b Long Term Borrowings				
The current year's secured long term borrowings of S\$13.43 million as compared to previous year's secured long term borrowings of S\$13.98 million comprise : (a) bank borrowings of S\$13.40 million in current year and S\$13.93 million in previous year respectively, secured by property, plant and equipment. (b) finance lease liabilities of S\$0.03 million in current year and S\$0.05 million previous year which are secured by leased assets which will revert to the lessors in the event of default. Effective interest rates ranged from 3.48% to 4.3% per annum.				

IPCO INTERNATIONAL LIMITED
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 OCTOBER 2016
These figures have not been audited

1(c) A statement of cashflows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.					
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 OCTOBER 2016		3 Months to 31/10/16 S\$'000	3 Months to 31/10/15 S\$'000	6 Months to 31/10/16 S\$'000	6 Months to 31/10/15 S\$'000
Operating activities					
Profit before income tax		3,064	5,451	2,779	7,770
Adjustments for:					
Allowance for doubtful receivables		2	15	42	2
Write back other creditors and accrued expenses		-	-	(24)	-
Amortisation of intangible assets		332	344	663	680
Depreciation of property, plant and equipment		621	644	1,226	1,512
Gain on disposal of property, plant and equipment		-	-	(3)	(2)
Interest expenses		(10)	50	113	121
Interest income		(43)	(23)	(101)	(85)
Loss on disposal of a subsidiary		-	1,182	-	1,182
Provisions made during the financial year		24	24	44	49
Share of results of associated companies		-	12	-	(20)
Fair value loss on financial assets, at fair value through profit or loss		6	287	27	699
Unrealised foreign exchange		(1,240)	(4,910)	(1,182)	(6,275)
Operating profit before changes in working capital		2,756	3,076	3,584	5,633
Working capital changes					
Inventories		927	(577)	(9)	(2,392)
Trade and other receivables		(1,432)	(3,095)	(1,945)	2,556
Trade and other payables		(1,260)	96	80	(3,350)
Provisions		6	-	15	-
Cash from / (used in) operations		997	(500)	1,725	2,447
Interest received		43	23	101	85
Interest paid		10	(50)	(113)	(121)
Net income tax paid		(559)	(353)	(761)	(568)
Net cash from / (used in) operating activities		491	(880)	952	1,843
Investing activities					
Addition in intangible assets		(2)	-	-	(16)
Purchase of property, plant and equipment		(1,164)	(3,023)	(2,260)	(4,763)
Proceeds from disposals of property, plant and equipment		(9)	(22)	355	2
Net cash used in investing activities		(1,175)	(3,045)	(1,905)	(4,777)
Financing activities					
Proceeds from borrowings		4,140	4,471	4,140	4,471
Proceeds from issuance of shares		-	-	540	-
Dividends paid to non-controlling interests of a subsidiary		-	-	(484)	-
Repayments of borrowings		(3,934)	(3,304)	(4,515)	(5,808)
Repayments of finance leases		(11)	(11)	(22)	(21)
Net cash from / (used in) financing activities		195	1,156	(341)	(1,358)
Net change in cash and cash equivalents		(489)	(2,769)	(1,294)	(4,292)
Effect of foreign exchange rate changes in cash and cash equivalents		149	402	93	570
Cash and cash equivalents at beginning of financial period		4,785	5,244	5,646	6,599
Cash and cash equivalents at end of financial period		4,445	2,877	4,445	2,877

IPCO INTERNATIONAL LIMITED
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 OCTOBER 2016
These figures have not been audited

1(d)(i)	A statement (for the issuer and group), showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.		
	Refer to separate worksheet.		
1(d)(ii)	Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.		
	On 20 July 2016, the Company issued 200,000,000 new ordinary shares at S\$0.0027 per subscription share and the issued and paid up share capital (excluding treasury shares) had increased from 5,100,799,986 shares to 5,300,799,986 shares.		
1(d)(iii)	To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.		
		Group As at 31/10/16	Group As at 30/04/16
	Number of ordinary shares issued and fully paid	5,300,799,986	5,100,799,986
	There are no treasury shares as at end of the current financial period and as at end of the immediately preceding year.		
1(d)(iv)	A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.		
	Not Applicable		
2	Whether the figures have been audited, or reviewed, and in accordance with which auditing standard or practice.		
	These figures have not been audited or reviewed.		
3	Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).		
	These figures have not been audited or reviewed.		
4	Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.		
	The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as compared to the audited financial statements as at 30 April 2016.		
5	If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.		
	The Group and Company has adopted the new/revised FRS that are effective for annual periods beginning on or after 1 May 2016. The adoption of this new/revised FRS did not result in any significant impact on the financial statements of the Group and Company.		
6	Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: (a) Based on the weighted average number of ordinary shares on issue; and (b) on a fully diluted basis (detailing any adjustments made to the earnings).		
	Earnings per ordinary share of the group (in cents)	Group Basic	Group Diluted
6(a)	current financial period 31/10/16 and (Based on 5,212,756,508 basic and diluted weighted average number of ordinary shares in issue at 31/10/16)	0.04	0.04
6(b)	immediately preceding financial period 31/10/15 (Based on 5,100,799,986 basic and diluted weighted average number of ordinary shares in issue at 31/10/15)	0.11	0.11
7	Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the : (a) current financial period reported on; and (b) immediately preceding financial year.		
	Net asset value	Group (S\$)	Company (S\$)
7(a)	current financial period ended 31/10/16 and (Based on 5,300,799,986 issued shares at 31/10/16)	0.02	0.02
7(b)	immediately preceding financial year at 30/04/16 (Based on 5,100,799,986 issued shares at 30/04/16)	0.02	0.02

8	<p>A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:</p> <p>(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and</p> <p>(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.</p>
	<p><u>Income Statement Items:</u></p> <p><u>2Q FY17 vs 2Q FY16</u></p> <p>In the second quarter ended 31 October 2016 ("2Q FY17"), the Group achieved a Turnover of S\$13.9 million, which was 10.9% lower than the Turnover of S\$15.6 million recorded for the corresponding quarter ended 31 October 2015 ("2Q FY16"). The Group's Turnover was mainly attributable to the following subsidiaries:</p> <ul style="list-style-type: none"> • ESA Electronics Pte Ltd ("ESA"), which operates in the semi-conductor industry, recorded a 11% decrease in Turnover of S\$0.8 million, from S\$7.3 million recorded in 2Q FY16 to S\$6.5 million in 2Q FY17. The decrease was mainly due to lower demand for burn-in boards by semi-conductor manufacturers in the current quarter. • Asia Plan Limited ("Asia Plan"), via an internal restructuring of subsidiaries of the Group, was voluntarily liquidated during the year, and its entire interest in Capri Investment L.L.C. ("Capri") was transferred to Excellent Empire Limited ("Excellent Empire"). Capri did not make any contribution in either 2Q FY17 or 2Q FY16 as there was no finalised sales agreement with home builders in the current quarter. Capri is involved in real estate development in the State of Washington, USA. • Excellent Empire, via its wholly-owned subsidiary, China Environmental Energy Protection Investment Ltd ("China Environmental"), which in turn through its China subsidiaries supplies natural gas to households, commercial and industrial users in Anlu, Dawu, XiaoChang and Guangshui cities in Hubei, PRC, achieved a Turnover of approximately S\$7.4 million in the 2Q FY17, as compared to S\$8.3 million in 2Q FY16. This was mainly due to a decrease in installations to new households, resulting in lower connection fees. <p>The Group recorded a Profit before Income Tax of S\$3.1 million in 2Q FY17, as compared with S\$5.5 million recorded in 2Q FY16, resulting in a decrease of S\$2.4 million in Profit before Income Tax. This was mainly due to a decrease of S\$3.7 million in foreign exchange gain from S\$4.9 million in 2Q FY16 to S\$1.2 million in 2Q FY17. The unrealised foreign exchange gains arose from the revaluation of foreign currency denominated balances.</p> <p>The Group recorded a Profit after Income Tax of S\$2.6 million in 2Q FY17, as compared with S\$5.1 million recorded in 2Q FY16.</p> <p>Other Revenue decreased by S\$3.5 million to S\$1.3 million in 2Q FY17, compared with S\$4.8 million in 2Q FY16. This was mainly attributable to:</p> <p>(a) a decrease of S\$0.2 million Fair Value Loss of Financial Assets, at Fair Value Through Profit or Loss arising from market valuation of quoted securities;</p> <p>(b) a decrease of S\$3.7 million Foreign Exchange Gain in 2Q FY17, from S\$4.9 million in 2Q FY16 to S\$1.2 million in 2Q FY17, largely due to unrealised exchange gains arising from the revaluation of foreign currency denominated balances primarily in:</p> <p>(i) United States Dollars ("US\$"), at exchange rate of 1 US\$ to S\$ which strengthened from S\$1.349 in 1Q FY17 to S\$1.365 in 2Q FY17, as compared to S\$1.345 in 1Q FY16 to S\$1.424 in 2Q FY16;</p> <p>(ii) Chinese Renminbi ("RMB"), at exchange rate of 1 RMB to S\$ which strengthened from S\$0.202 in 1Q FY17 to S\$0.205 in 2Q FY17, as compared to S\$0.217 in 1Q FY16 to S\$0.224 in 2Q FY16.</p> <p>The Group's Total Cost and Expenses decreased by approximately S\$2.9 million to S\$12.1 million in 2Q FY17, compared with S\$15 million in 2Q FY16. This was mainly due to:</p> <p>(a) changes in inventories, work-in-process, raw materials and consumables decreased by S\$0.8 million, which is in line with the decreased turnover by the semi-conductor business of ESA;</p> <p>(b) S\$2.1 million decrease in other operating expenses, mainly attributable to S\$1.2 million loss on disposal of a subsidiary, Dimensi Cita Sdn Bhd ("DCSB") in 2Q FY16 and a decrease of S\$0.9 million in other operating expenses of the Group's subsidiaries.</p> <p>A share of loss of S\$12,000 from a previous associate company, Industrial Engineering Systems Pte Ltd, was recorded in 2Q FY16 and none in 2Q FY17 due to its disposal in the previous year.</p> <p>An increase of Income Tax of S\$0.16 million to S\$0.46 million in 2Q FY17, as compared with S\$0.3 million in 2Q FY16, is mainly due to increased in tax provisions by the Group's subsidiaries.</p>

8	<p>A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:</p> <p>(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and</p> <p>(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.</p>
	<p><u>1H FY17 vs 1H FY16</u></p> <p>During the six months ended 31 October 2016 ("1H FY17"), the Group achieved a Turnover of S\$23.9 million, which was S\$5.2 million or 18% lower than the Turnover of S\$29.1 million recorded for the corresponding six months ended 31 October 2015 ("1H FY16"). The Group's Turnover was mainly attributable to the following subsidiaries:</p> <ul style="list-style-type: none"> • ESA recorded a 27% decrease in Turnover of S\$3.8 million to S\$10.5 million in 1H FY17, as compared to a Turnover of S\$14.3 million recorded in 1H FY16. The decrease was mainly due to lower demand of burn-in boards by semi-conductor manufacturers in the current period. • Asia Plan Limited ("Asia Plan"), via an internal restructuring of subsidiaries of the Group, was voluntarily liquidated during the year, and its entire interest in Capri Investment L.L.C. ("Capri") was transferred to Excellent Empire Limited ("Excellent Empire"). Capri did not make any contribution in 1H FY17 or 1H FY16 as there was no finalised sales agreement with home builders in the current period. • Excellent Empire Ltd ("Excellent Empire"), via its wholly-owned subsidiary, China Environmental Energy Protection Investment Ltd ("China Environmental"), which in turn through its China subsidiaries, supplies natural gas to households, commercial and industrial users in Anlu, Dawu, XiaoChang and Guangshui cities in Hubei, PRC, achieved a Turnover of S\$13.4 million in 1H FY17, as compared with S\$14.8 million in 1H FY16. The 9.4% decrease in Turnover of S\$1.4 million was due to decrease in installations to new households, resulting in lower connection fees. <p>The Group recorded a Profit before Income Tax of S\$2.8 million in 1H FY17, as compared with S\$7.8 million recorded in 1H FY16, resulting in a decrease of S\$5.0 million in Profit before Income Tax. This was mainly due to a foreign exchange gain of S\$1.1 million in 1H FY17, as compared with S\$6.5 million in 1H FY16. The unrealised foreign exchange gains arose from the revaluation of foreign currency denominated balances.</p> <p>The Group recorded a Profit after Income Tax of S\$2.2 million in 1H FY17, as compared with a S\$7.2 million recorded in 1H FY16.</p> <p>Correspondingly, in 1H FY17 the Group had a Net Profit Attributable to Shareholders of S\$2.2 million and Earnings per Share of 0.04 Singapore cents (1H FY16: Net Profit Attributable to Shareholders S\$5.4 million and Earnings per Share of 0.11 Singapore cents).</p> <p>Other Revenue decreased by S\$4.7 million, to S\$1.3 million in 1H FY17, as compared to S\$6.0 million in 1H FY16. This was mainly due to:</p> <ul style="list-style-type: none"> (a) a decrease of S\$0.7 million in fair value loss on FVTPL; (b) a decrease of S\$5.4 million in Foreign Exchange Gain in 1H FY17, from S\$6.5 million in 1H FY16 to S\$1.1 million in 1H FY17, largely due to unrealised exchange gains arising from the revaluation of foreign currency denominated balances primarily in: <ul style="list-style-type: none"> (i) United States Dollars ("US\$"), at exchange rates of 1 US\$ to S\$ which strengthened from S\$1.344 to S\$1.365 (1H FY16: from S\$1.324 to S\$1.424); (ii) Chinese Renminbi ("RMB"), at exchange rates of 1 RMB to S\$ which weakened from S\$0.207 to S\$0.205 (1H FY16: from S\$0.213 to S\$0.224). <p>The Group's Total Cost and Expenses decreased by approximately S\$5.0 million to S\$22.3 million in 1H FY17, compared with S\$27.3 million in 1H FY16. This was mainly due to:</p> <ul style="list-style-type: none"> (a) S\$3.7 million decrease in changes in inventories, work-in-process, raw materials and consumables, which is in line with the decreased turnover by the semi-conductor business of ESA; (b) a S\$0.3 million decrease in depreciation of property, plant and equipment of the Group's subsidiaries; (c) a S\$0.5 million increase in employee benefit expenses, mainly due to reclassification of staff related costs from cost of sales by ESA; (d) an increase of S\$40,000 in allowance for doubtful receivables; (e) S\$1.5 million decrease in other operating expenses, mainly attributable to a S\$1.2 million loss on disposal of a subsidiary, Dimensi Cita Sdn Bhd ("DCSB") in 1H FY16. <p>A share of profit of S\$20,000 from a previous associate company, Industrial Engineering Systems Pte Ltd, was recorded in 1H FY16 and none in 1H FY17 due to its disposal in the previous year.</p> <p>The decrease in Income Tax of S\$9,000 to S\$603,000 in 1H FY17, as compared to S\$612,000 1H FY16, is mainly due to a decrease in tax provisions by the Group's subsidiaries.</p>

8	<p>A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:</p> <p>(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and</p> <p>(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.</p>																														
<p>Consolidated Statement of Financial Position and Cash Flows:</p>																															
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Description</th> <th style="text-align: right;">Amount in S\$ million</th> </tr> </thead> <tbody> <tr> <td colspan="2">1) An Increase/(Decrease) in Non-Current Assets</td> </tr> <tr> <td>1a. Property, Plant and Equipment</td> <td style="text-align: right;">0.2</td> </tr> <tr> <td>1b. Other Receivable</td> <td style="text-align: right;">(0.1)</td> </tr> <tr> <td>Increase in Non-Current Assets</td> <td style="text-align: right;">0.1</td> </tr> <tr> <td colspan="2">2) An Increase/(Decrease) in Current Assets and (Increase)/Decrease in Current Liabilities</td> </tr> <tr> <td>2a. Trade and Other Receivables and Inventories</td> <td style="text-align: right;">2.1</td> </tr> <tr> <td>2b. Cash and Bank Balances</td> <td style="text-align: right;">(0.6)</td> </tr> <tr> <td>2c. Trade and Other Payables and Income Tax Payable</td> <td style="text-align: right;">0.2</td> </tr> <tr> <td>2d. Borrowings</td> <td style="text-align: right;">(0.6)</td> </tr> <tr> <td>Increase in Net Current Assets</td> <td style="text-align: right;">1.1</td> </tr> <tr> <td colspan="2">3) An (Increase)/Decrease in Non-Current Liabilities</td> </tr> <tr> <td>3a. Long-Term Borrowings and Finance Lease Liabilities</td> <td style="text-align: right;">0.5</td> </tr> <tr> <td>3b. Deferred Tax Liabilities</td> <td style="text-align: right;">(0.1)</td> </tr> <tr> <td>Decrease in Non-Current Liabilities</td> <td style="text-align: right;">0.4</td> </tr> </tbody> </table>		Description	Amount in S\$ million	1) An Increase/(Decrease) in Non-Current Assets		1a. Property, Plant and Equipment	0.2	1b. Other Receivable	(0.1)	Increase in Non-Current Assets	0.1	2) An Increase/(Decrease) in Current Assets and (Increase)/Decrease in Current Liabilities		2a. Trade and Other Receivables and Inventories	2.1	2b. Cash and Bank Balances	(0.6)	2c. Trade and Other Payables and Income Tax Payable	0.2	2d. Borrowings	(0.6)	Increase in Net Current Assets	1.1	3) An (Increase)/Decrease in Non-Current Liabilities		3a. Long-Term Borrowings and Finance Lease Liabilities	0.5	3b. Deferred Tax Liabilities	(0.1)	Decrease in Non-Current Liabilities	0.4
Description	Amount in S\$ million																														
1) An Increase/(Decrease) in Non-Current Assets																															
1a. Property, Plant and Equipment	0.2																														
1b. Other Receivable	(0.1)																														
Increase in Non-Current Assets	0.1																														
2) An Increase/(Decrease) in Current Assets and (Increase)/Decrease in Current Liabilities																															
2a. Trade and Other Receivables and Inventories	2.1																														
2b. Cash and Bank Balances	(0.6)																														
2c. Trade and Other Payables and Income Tax Payable	0.2																														
2d. Borrowings	(0.6)																														
Increase in Net Current Assets	1.1																														
3) An (Increase)/Decrease in Non-Current Liabilities																															
3a. Long-Term Borrowings and Finance Lease Liabilities	0.5																														
3b. Deferred Tax Liabilities	(0.1)																														
Decrease in Non-Current Liabilities	0.4																														
<p>The Non-Current Assets of the Group were S\$114.7 million as at 31 October 2016, as compared to S\$114.6 million as at 30 April 2016. The increase of S\$0.1 million was primarily due to:</p> <p>1a. an increase in Property, Plant and Equipment of S\$0.2 million, mainly due to S\$0.4 million disposal of fixed assets, offset by S\$2.3 million additional equipment purchased for connecting pipelines to industrial and housing estates by the Group's China subsidiaries, a S\$1.2 million depreciation in the current period and a S\$0.5 million translation loss of Property, Plant and Equipment in the Group's foreign currency denominated subsidiaries;</p> <p>1b. a decrease of Other Receivables of S\$0.1 million, due to a translation loss of Other Receivables in the Group's foreign currency denominated subsidiaries.</p>																															
<p>The Net Current Assets of the Group increased by S\$1.1 million to S\$2.7 million as at 31 October 2016, as compared with Net Current Assets of S\$1.6 million as at 30 April 2016. This was attributable to:</p> <p>2a. an increase in Trade and Other Receivables and Inventories of S\$2.1 million, primarily due to S\$0.1 million increased inventories, mainly from ESA, and a net increase of S\$2.0 million in Trade and Other Debtors of the Group's subsidiaries, which includes S\$9.4 million settlement by these Debtors mainly from ESA;</p> <p>2b. a decrease of S\$0.6 million in Cash and Bank Balances, mainly due to S\$0.9 million payment of taxes and interest, S\$0.4 million receipts from disposal of fixed assets offset by S\$2.3 million purchase of plant and equipment mainly by the Group's China subsidiaries, S\$9.4 million receipts from Trade and Other Debtors of the Group's subsidiaries offset by S\$6.9 million payments in Trade and Other Payables of the Group's subsidiaries, proceeds of S\$0.5 million from issuance of shares, interest receipts of S\$0.1 million, offset by S\$0.5 million dividend payments to non-controlling interests of a subsidiary, and S\$4.1 million proceeds from bank borrowings offset by S\$4.5 million bank loan repayments mainly from China subsidiaries;</p> <p>2c. a decrease in Trade, Other Payables and Income Tax Payable of S\$0.2 million, mainly due to S\$0.7 million Tax Payments offset by S\$0.6 million increase in tax provision, and a net decrease of S\$0.1 million in Trade and Other Creditors of the Group's subsidiaries which includes S\$6.9 million payments of these creditors mainly from ESA;</p> <p>2d. an increase in Short-Term Borrowings of S\$0.6 million, mainly due to S\$4.7 million proceeds from bank borrowings including bank overdrafts, offset by S\$4.1 million bank loan repayments by the Group's subsidiaries in China.</p>																															
<p>The Non-Current Liabilities of the Group have decreased to S\$22.8 million as at 31 October 2016, compared to S\$23.2 million as at 30 April 2016. This is primarily attributable to:</p> <p>3a. a decrease of S\$0.5 million in long-term borrowings and finance lease liabilities, mainly due to S\$0.4 million bank loan repayments by the Group's China subsidiaries and S\$0.1 million translation gain of these borrowings;</p> <p>3b. a S\$0.1 million translation loss in Deferred Tax Liabilities of the Group's China subsidiaries.</p>																															
9	<p>Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.</p>																														
<p>The current results for the second quarter and six months ended 31 October 2016 are generally in line with the Company's commentary set out in paragraph 10 of its previous results announcement for the year ended 30 April 2016.</p>																															

IPCO INTERNATIONAL LIMITED
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 OCTOBER 2016
These figures have not been audited

10	A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.
	<p>The Group's financial results for the next 12 months are most likely to be affected primarily by the performance of the three principal operating subsidiaries.</p> <p>The Group holds an 81.25% equity interest in ESA Electronics Pte Ltd ("ESA"). ESA is a Singapore-incorporated company engaged in the business of assembling, trading and providing consultancy services in the semi-conductor industry. ESA also acts as agents and distributors of semi-conductor back-end equipment, such as burn-in systems, vision inspection systems and test systems. Currently the overall worldwide market condition is very uncertain, causing a lower demand for burn-in boards by semi-conductor manufacturers of personal computer components and electronic devices. The demand for our Automated Optical Inspection equipment is also affected by the market uncertainty. Fortunately, ESA has successfully obtained an OEM project awarded by a Singapore company, which is expected to augment revenue and offset the anticipated reduction in consumer demand for burn-in boards during the coming year.</p> <p>The Group's wholly-owned subsidiary Excellent Empire Ltd, in turn via its wholly-owned subsidiary China Environmental Energy Protection Investment Ltd ("China Environmental"), through a restructuring of its subsidiaries in the Peoples' Republic of China ("PRC"), holds an 85% equity interest in Hubei Zonglianhuan Energy Investment Management Inc., which in turn holds a 100% equity interest in four companies supplying natural gas under 30-year exclusive contracts in the cities of Anlu, Dawu, Xiaochang, and Guangshui in Hubei Province, PRC. Despite a seasonal downturn in gas demand and lower connection fees to new households, China Environmental's revenue should improve over the next 12 months. The Group is actively seeking new energy investment opportunities in Hubei, Shandong and other provinces of the PRC.</p> <p>Capri Investment L.L.C ("Capri"), in which the Group holds a 100% equity interest, is engaged in real estate development near the cities of Seattle and Tacoma in the state of Washington, USA. The residential real estate market in the Pacific Northwest has become increasingly favourable for continued development, as the supply of lots permitted for new home construction has become limited relative to the demand by new home builders. In view of this, a feasibility study is currently being conducted to design and market the next phase of development comprising 261 lots, which various financing approaches being evaluated.</p>
11	If a decision regarding dividend has been made :
11(a)	Whether an interim (final) ordinary dividend has been declared (recommended); and
	None
11(b)(i)	Amount per share cents
	None
11(b)(ii)	Previous corresponding period Cents
	None
11(c)	Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).
	Not Applicable
11(d)	The date the dividend is payable.
	Not Applicable
11(e)	The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.
	Not Applicable
12	If no dividend has been declared (recommended), a statement to that effect.
	No dividend has been declared or recommended in the current reporting period.
13	If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.
	There is no general mandate from shareholders for Interested Party Transactions ("IPTs").
14	Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)
	The Directors of the Company confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the Group for the second quarter and half year ended 31 October 2016, to be false or misleading in any material aspect.
15	Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).
	Undertakings have been procured from all of its directors and executive officers.
	<p>BY ORDER OF THE BOARD IPCO INTERNATIONAL LIMITED CARLSON CLARK SMITH EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER 13 DECEMBER 2016</p>