IPCO INTERNATIONAL LIMITED
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 OCTOBER 2017
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 31/10/17 S$'000	3 Months to 31/10/16 S$'000	% Increase/ (decrease)	6 Months to 31/10/17 S$'000	6 Months to 31/10/16 S$'000	% Increase/ (decrease)
Revenue						
Sale of goods	4,207	6,514	(35.4)	9,811	10,460	(6.2)
Natural gas installation, connection, delivery and usage	7,379	7,413	(0.5)	14,406	13,402	7.5
	11,586	**13,927**	**(16.8)**	**24,217**	**23,862**	**1.5**
Other items of revenue/(expenses)						
Financial assets, at fair value through profit or loss						
- fair value loss	(4)	(6)	(33.3)	(12)	(27)	(55.6)
Other income	39	80	(51.3)	108	144	(25.0)
	35	74	(52.7)	96	117	(17.9)
Total revenue	**11,621**	**14,001**	**(17.0)**	**24,313**	**23,979**	**1.4**
Operating expenses						
Changes in inventories of finished goods, work-in-progress and land held for sale	359	(963)	nm	926	(46)	nm
Raw materials and consumables used	(7,844)	(8,032)	(2.3)	(16,111)	(15,080)	6.8
Amortisation of intangible assets	(333)	(332)	0.3	(668)	(663)	0.8
Depreciation of property, plant and equipment	(658)	(621)	6.0	(1,302)	(1,226)	6.2
Allowance for doubtful receivables, net	(85)	(2)	nm	(120)	(42)	nm
Foreign exchange loss, net	88	1,231	(92.9)	(1,350)	1,143	nm
Employee benefits expenses	(1,653)	(1,911)	(13.5)	(3,655)	(3,694)	(1.1)
Finance Costs	(272)	(15)	nm	(498)	(157)	nm
Operating lease expenses	(157)	(127)	23.6	(285)	(255)	11.8
Other expenses	(587)	(165)	nm	(1,380)	(1,180)	16.9
Total expenses	**(11,142)**	**(10,937)**	**1.9**	**(24,443)**	**(21,200)**	**15.3**
Profit/(Loss) before income tax	**479**	**3,064**	**(84.4)**	**(130)**	**2,779**	**nm**
Income tax expense	(308)	(464)	(33.6)	(699)	(603)	15.9
Profit/(Loss) for the financial period	**171**	**2,600**	**(93.4)**	**(829)**	**2,176**	**nm**
Other comprehensive income :						
Available-for-sale-financial assets						
- fair value (loss)/gain	(11)	138	nm	(49)	(1)	nm
Exchange differences on translating foreign operations	(582)	(5)	nm	35	(530)	nm
Other comprehensive income for the financial period	(593)	133	nm	(14)	(531)	(97.4)
Total comprehensive income for the financial period	**(422)**	**2,733**	**nm**	**(843)**	**1,645**	**nm**
Profit/(Loss) attributable to :						
Owners of the parent	173	2,136	(91.9)	(762)	2,170	nm
Non-controlling interests	(2)	464	nm	(67)	6	nm
	171	**2,600**	**(93.4)**	**(829)**	**2,176**	**nm**
Total comprehensive income attributable to :						
Owners of the parent	(508)	2,312	nm	(1,029)	1,723	nm
Non-controlling interests	86	421	(79.6)	186	(78)	nm
	(422)	**2,733**	**nm**	**(843)**	**1,645**	**nm**
nm-not meaningful						

1(a)(ii)	ADDITIONAL INFORMATION ON THE INCOME STATEMENT						
		Group			Group		
		3 Months to 31/10/17 S$'000	3 Months to 31/10/16 S$'000	% Increase/ (decrease)	6 Months to 31/10/17 S$'000	6 Months to 31/10/16 S$'000	% Increase/ (decrease)
	Other Income						
	Gain on disposal of property, plant and equipment	4	-	nm	3	3	-
	Interest income	34	43	(20.9)	99	101	(2.0)
	Sundry income	1	37	(97.3)	6	40	(85.0)
		39	**80**	**(51.3)**	**108**	**144**	**(25.0)**
	nm-not meaningful						

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 31/10/17 S$'000	Group As at 30/04/17 S$'000	Company As at 31/10/17 S$'000	Company As at 30/04/17 S$'000
Non-current assets				
Intangible assets	48,114	50,092	-	-
Property, plant and equipment	70,090	64,462	51	95
Subsidiaries	-	-	70,761	70,761
Other receivables	2,758	2,946	-	-
Deferred tax assets	913	910	-	-
	121,875	**118,410**	**70,812**	**70,856**
Current assets				
Available-for-sale financial assets	657	707	540	540
Inventories	13,634	12,962	-	-
Trade and other receivables	9,248	9,339	63,831	64,239
Financial assets, at fair value through profit or loss	39	51	10	14
Cash and cash equivalents - **** Refer to breakdown below**	10,207	9,036	1,223	74
	33,785	**32,095**	**65,604**	**64,867**
Current liabilities				
Trade and other payables	30,824	25,404	7,371	7,346
Provisions	331	294	331	294
Finance lease liabilities	26	46	26	46
Current income tax payable	702	920	-	-
Borrowings	8,710	8,891	200	-
	40,593	**35,555**	**7,928**	**7,686**
Net current (liabilities)/assets	**(6,808)**	**(3,460)**	**57,676**	**57,181**
Non-current liabilities				
Other Payables	(370)	(367)	-	-
Finance lease liabilities	-	(2)	-	(2)
Borrowings	(11,345)	(11,733)	-	-
Deferred tax liabilities	(8,469)	(8,706)	-	-
	(20,184)	**(20,808)**	**-**	**(2)**
NET ASSETS	**94,883**	**94,142**	**128,488**	**128,035**
Equity				
Share capital	265,811	264,227	265,811	264,227
Other reserves	(21,879)	(21,612)	1,961	1,961
Accumulated losses	(145,230)	(144,468)	(139,284)	(138,153)
Equity attributable to owners of the parent	**98,702**	**98,147**	**128,488**	**128,035**
Non-controlling interests	(3,819)	(4,005)	-	-
TOTAL EQUITY	**94,883**	**94,142**	**128,488**	**128,035**
**** Breakdown as follows:**				
Cash and cash equivalents	10,207	9,036		
Less:				
Bank Overdrafts	(2,100)	(2,089)		
Cash pledged for bank facilities	(2,600)	(2,600)		
As per consolidated statement of cash flows	**5,507**	**4,347**		

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.

Group Borrowings and Debt Securities	As at 31/10/17 Secured S$'000	As at 31/10/17 Unsecured S$'000	As at 30/04/17 Secured S$'000	As at 30/04/17 Unsecured S$'000
Amount repayable in one year or less, or on demand	7,738	998	8,117	820
Amount repayable after one year	11,345	-	11,735	-

Details of any collaterals

a **Short Term Borrowings**

(i) The current year's secured short term borrowings of S$7.738 million and previous year's borrowings of S$8.117 million comprise :
(a) short term bank borrowings of S$5.612 million in current year as compared to S$5.982 million in previous year which are secured by property, plant and equipment.
(b) the remaining bank borrowings of S$2.1 million in current year and S$2.089 million in previous year, are secured by cash pledged for bank facilities. Interest is charged at 4.57% to 6.95% per annum.
(c) finance lease liabilities of S$0.026 million in current year and S$0.046 million in 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$0.998 million and S$0.82 million in current and previous year respectively, comprised of (a) current year S$0.2 million non-bank loans with interest charged at 12% per annum and (b) current year $0.798 million and previous year S$0.82 million loans from business associates which are unsecured and repayable on demand.

b **Long Term Borrowings**

The current year's secured long term borrowings of S$11.345 million as compared to previous year's secured long term borrowings of S$11.735 million comprise :
(a) bank borrowings of S$11.345 million in current year and S$11.733 million in previous year respectively, secured by property, plant and equipment. Interest is charged at 4.57% to 6.95% per annum.
(b) finance lease liabilities of S$0.002 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.

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 2017	3 Months to 31/10/17 S$'000	3 Months to 31/10/16 S$'000	6 Months to 31/10/17 S$'000	6 Months to 31/10/16 S$'000
Operating activities				
Profit / (loss) before income tax	**479**	**3,064**	**(130)**	**2,779**
Adjustments for:				
Allowance made for doubtful trade and other receivables	85	2	120	42
Write back other creditors and accrued expenses	-	-	-	(24)
Amortisation of intangible assets	333	332	668	663
Depreciation of property, plant and equipment	658	621	1,302	1,226
Gain on disposal of property, plant and equipment	(4)	-	(3)	(3)
Interest expenses	242	(10)	439	113
Interest income	(34)	(43)	(99)	(101)
Provision made during the financial period	40	24	62	44
Fair value loss on financial assets, at fair value through profit or loss	4	6	12	27
Unrealised foreign exchange	(99)	(1,240)	1,326	(1,182)
Operating profit before changes in working capital	**1,704**	**2,756**	**3,697**	**3,584**
Working capital changes				
Inventories	(754)	927	(1,068)	(9)
Trade and other receivables	(130)	(1,432)	(102)	(1,945)
Trade and other payables	70	(1,260)	(955)	80
Provisions	(24)	6	(24)	15
Cash from operations	**866**	**997**	**1,548**	**1,725**
Interest received	34	43	99	101
Interest paid	(242)	10	(439)	(113)
Net income tax paid	(375)	(559)	(918)	(761)
Net cash from operating activities	**283**	**491**	**290**	**952**
Investing activities				
Net addition of intangible assets	-	(2)	(8)	-
Purchase of property, plant and equipment	(11)	(1,164)	(44)	(2,260)
Proceeds from disposals of property, plant and equipment	7	(9)	27	355
Net cash used in investing activities	**(4)**	**(1,175)**	**(25)**	**(1,905)**
Financing activities				
Proceeds from borrowings	4,074	4,140	4,285	4,140
Proceeds from issuance of shares	1,584	-	1,584	540
Dividend paid to non-controlling interests of a subsidiary	-	-	-	(484)
Repayments of borrowings	(4,180)	(3,934)	(4,943)	(4,515)
Repayments of finance leases	(12)	(11)	(23)	(22)
Net cash from/(used in) financing activities	**1,466**	**195**	**903**	**(341)**
Net change in cash and cash equivalents	**1,745**	**(489)**	**1,168**	**(1,294)**
Effect of foreign exchange rate changes in cash and cash equivalents	7	149	(8)	93
Cash and cash equivalents at beginning of financial period	3,755	4,785	4,347	5,646
Cash and cash equivalents at end of financial period	**5,507**	**4,445**	**5,507**	**4,445**

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 7 September 2017, the Company issued 880,000,000 new ordinary shares at S$0.0018 per subscription share and the issued and paid up share capital (excluding treasury shares) increased from 5,300,799,986 shares to 6,180,799,986 shares. In previous financial period, 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) 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 31/10/17	**Group As at 30/04/17**
Number of ordinary shares issued and fully paid	6,180,799,986	5,300,799,986

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 2017.
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 2017. 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 31/10/17 and (Based on 5,563,843,464 basic and diluted weighted average number of ordinary shares in issue at 31/10/17)	(0.01)	(0.01)
6(b)	immediately preceding financial period 31/10/16 (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

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 31/10/17 and (Based on 6,180,799,986 issued shares at 31/10/17)	0.02	0.02
7(b)	immediately preceding financial year at 30/04/17 (Based on 5,300,799,986 issued shares at 30/04/17)	0.02	0.02

8	**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: (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 (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Income Statement Items:

2Q FY18 vs 2Q FY17

In the second quarter ended 31 October 2017 ("2Q FY18"), the Group achieved a Turnover of S$11.6 million, which was 16.8% lower than the Turnover of S$13.9 million recorded for the corresponding quarter ended 31 October 2016 ("2Q FY17"). The Group's Turnover was mainly attributable to the following subsidiaries:

- ESA Electronics Pte Ltd ("ESA"), which operates in the semi-conductor industry, recorded a 35.4% decrease in Turnover of S$2.3 million, from S$6.5 million recorded in 2Q FY17 to S$4.2 million in 2Q FY18. The decrease was mainly due to lower demand for burn-in boards by semi-conductor manufacturers in the current quarter.
- Capri Investments L.L.C. ("Capri") which was transferred to Excellent Empire Limited ("Excellent Empire") in previous year, did not make any contribution in 2QFY18 and 2QFY17 as there was no finalised sales agreement with home builders in the current and previous quarter.
- 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 2Q FY18 and 2Q FY17.

The Group recorded a Profit before Income Tax of S$0.5 million in 2Q FY18, as compared with S$3.1 million recorded in 2Q FY17, resulting in a decrease of S$2.6 million in Profit before Income Tax.

The Group recorded a Profit after Income Tax of S$0.2 million in 2Q FY18, as compared with S$2.6 million recorded in 2Q FY17.

Other Revenue decreased by S$39,000 from $74,000 in 2Q FY17 to S$35,000 in 2Q FY18 mainly due to decrease in interest and sundry income of S$45,000 offset by S$4,000 increase in gain on disposal of fixed assets by ESA and S$2,000 decrease in fair value loss of financial assets at fair value through profit or loss ("FVTPL").

The Group's Total Cost and Expenses increased by approximately S$0.2 million to S$11.1 million in 2Q FY18, compared to S$10.9 million in 2Q FY17. This was mainly due to:

a) S$1.5 million decrease in the 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) S$0.2 million decrease in Employee Benefit Expenses mainly from ESA, offset by S$0.4 million increase in other operating expenses mainly from China subsidiaries;

c) S$0.3 million increase in Finance Costs mainly from interests of bank borrowings of China subsidiaries;

d) S$0.1 million increase in Allowance for Doubtful Receivables from ESA;

e) a decrease of S$1.1 million Foreign Exchange Gain in 2Q FY18 from S$1.2 million in 2Q FY17 to S$0.1 million in 2Q FY18. This was largely due to unrealised exchange losses arising from the revaluation of foreign currency denominated balances primarily in:

(i) United States Dollars ("US$"), at exchange rate of 1 US$ to S$ which weakened from S$1.377 in 1Q FY18 to S$1.358 in 2Q FY18, as compared to the strengthening of $1.349 in 1Q FY17 to S$1.365 in 2Q FY17;

(ii) Chinese Renminbi ("RMB"), at exchange rate of 1 RMB to S$ which strengthened from S$0.202 in 1Q FY18 to S$0.204 in 2Q FY18, as compared to S$0.202 in 1Q FY17 to S$0.205 in 2Q FY17.

The decease of Income Tax of S$0.2 million to S$0.3 million in 2Q FY18, as compared with S$0.5 million in 2Q FY17, is mainly due to decrease in tax provisions by the Group's subsidiaries in the current quarter.

1H FY18 vs 1H FY17

During the six months ended 31 October 2017 ("1H FY18"), the Group achieved a Turnover of S$24.2 million, which was S$0.3 million or 1.5% higher than the Turnover of S$23.9 million recorded for the corresponding six months ended 31 October 2016 ("1H FY17"). The Group's Turnover was mainly attributable to the following subsidiaries:

- ESA recorded a 6.2% decrease in Turnover of S$0.6 million to S$9.8 million in 1H FY18, as compared to a Turnover of S$10.4 million recorded in 1H FY17. The decrease was mainly due to lower demand of burn-in boards by semi-conductor manufacturers in the current period.
- Capri Investments L.L.C. ("Capri") which was transferred to Excellent Empire Limited ("Excellent Empire") in the previous year, did not make any contribution in 1HFY18 and 1HFY17 as there was no finalised sales agreement with home builders in the current and previous period.
- 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$14.4 million in 1H FY18, as compared with S$13.4 million in 1H FY17. The 7.5% increase in Turnover of S$1.0 million was mainly due to increase in natural gas sales to industrial users.

8 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:
(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
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group recorded a Loss before Income Tax of S$0.1 million in 1H FY18, as compared with Profit before Income Tax of S$2.8 million recorded in 1H FY17, resulting in an increase of S$2.9 million in Loss before Income Tax. This was mainly due to a foreign exchange loss of S$1.4 million in 1H FY18, as compared with S$1.1 million foreign exchange gain in 1H FY17. The unrealised foreign exchange loss arose from the revaluation of foreign currency denominated balances.

The Group recorded a Loss after Income Tax of S$0.8 million in 1H FY18, as compared with a Profit after Income Tax S$2.2 million recorded in 1H FY17.

Correspondingly, in 1H FY18 the Group had a Loss Attributable to Shareholders of S$0.8 million and Loss per Share of 0.01 Singapore cents (1H FY17: Net Profit Attributable to Shareholders S$2.2 million and Earnings per Share of 0.04 Singapore cents).

Other Revenue decreased by S$21,000, to S$96,000 in 1H FY18, as compared with S$117,000 in 1H FY17. This was mainly due to a decrease of S$15,000 in fair value loss on FVTPL offset by a decrease in interest and sundry income of S$36,000.

The Group's Total Cost and Expenses increased by approximately S$3.2 million to S$24.4 million in 1H FY18, compared with S$21.2 million in 1H FY17. This was mainly due to:

a) S$0.1 million increase in depreciation of fixed assets mainly from China subsidiaries;

b) S$0.1 million increase in Allowance for Doubtful Receivables from ESA;

c) S$0.3 million increase in Finance Costs, mainly from interests of bank borrowings of China subsidiaries;

d) S$0.2 million increase in other operating expenses, mainly from China subsidiaries;

e) S$2.5 million increase in Foreign Exchange Loss, largely due to unrealised exchange loss arising from the revaluation of foreign currency denominated balances primarily in:

(i) United States Dollars ("US$"), at exchange rates of 1 US$ to S$ which weakened from S$1.396 to S$1.358 (1H FY17: strengthened from S$1.344 to S$1.365);

(ii) Chinese Renminbi ("RMB"), at exchange rates of 1 RMB to S$ which strengthened from S$0.202 to S$0.204 (1H FY17: weakened from S$0.207 to S$0.205).

An increase in Income Tax of S$96,000 to S$699,000 in 1H FY18, as compared to S$603,000 1H FY17, is mainly due to increase in tax provisions by the Group's subsidiaries.

Description	**Amount in S$ million**
1) An Increase/(Decrease) in Non-Current Assets	
1a. Intangible Assets	(2.0)
1b. Property, Plant and Equipment	5.6
1c. Other Receivable	(0.1)
Increase in Non-Current Assets	**3.5**
2) An Increase/(Decrease) in Current Assets and (Increase)/Decrease in Current Liabilities	
2a. Trade and Other Receivables and Inventories	0.5
2b. Cash and Bank Balances	1.2
2c. Trade and Other Payables and Income Tax Payable	(5.2)
2d. Borrowings	0.2
Increase in Net Current Liabilities	**(3.3)**
3) An (Increase)/Decrease in Non-Current Liabilities	
3a. Long-Term Borrowings and Finance Lease Liabilities	0.4
3b. Deferred Tax Liabilities	0.2
Decrease in Non-Current Liabilities	**0.6**

8	**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: (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 (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**
	The Non-Current Assets of the Group were S$121.9 million as at 31 October 2017, as compared to S$118.4 million as at 30 April 2017. The increase of S$3.5 million was primarily due to: 1a. a decrease in Intangible Assets of S$2.0 million, mainly due S$1.3 million foreign exchange translation loss of Goodwill, Distribution and Licensing Rights in foreign currency denominated subsidiaries, and S$0.7 million amortisation of Distribution and Licensing Rights in current 1H FY18. 1b. an increase in Property, Plant and Equipment of S$5.6 million, mainly due to S$0.4 million foreign exchange translation gain of Property, Plant and Equipment, S$6.5 million additions from construction in progress in CNG station and connection pipelines to industrial plants and housing estates by the Group's China subsidiaries, offset by S$1.3 million depreciation in current 1H FY18; 1c. a decrease of Other Receivables of S$0.1 million, mainly due to decrease in non-trade receivables of China subsidiaries. The Net Current Liabilities of the Group increased by S$3.3 million to S$6.8 million as at 31 October 2017, as compared with Net Current Liabilities of S$3.5 million as at 30 April 2017. This was attributable to: 2a. an increase in Trade and Other Receivables and Inventories of S$0.5 million, primarily due to net S$0.6 million increased inventories, mainly from ESA, partly offset by a net decrease of S$0.1 million in Trade and Other Debtors of the Group's subsidiaries; 2b. an increase of S$1.2 million in Cash and Bank Balances, mainly due to S$1.3 million payment of taxes and interest, net S$0.6 million repayments and proceeds from bank borrowings, S$1.6 million proceeds from issuance of new ordinary shares, and S$1.5 million net receipts and payments, of Receivables and Payables by the Group's subsidiaries; 2c. an increase in Trade, Other Payables and Income Tax Payable of S$5.2 million, mainly due to S$0.9 million Tax Payments, S$0.7 million current tax provision and S$5.4 million net increase in Trade and Other Payables, mainly from China subsidiaries due to payables relating to the completed CNG station by a China subsidiary; 2d. a decrease in Short-Term Borrowings of S$0.2 million, mainly due to new loans of S$4.3 million, offset by S$4.2 million net bank loan repayments by the Group's subsidiaries in China and a S$0.3 million reclassification to Long-Term Borrowings. The Non-Current Liabilities of the Group have decreased to S$20.2 million as at 31 October 2017, compared to S$20.8 million as at 30 April 2017. This is primarily attributable to: 3a. a decrease of S$0.4 million in Long-Term Borrowings and finance lease liabilities, mainly due to S$0.3 million reclassification from Short-Term Borrowings, offset by S$0.7 million repayment of these borrowings by the China subsidiaries; 3b. a S$0.2 million translation gain in Deferred Tax Liabilities of the Group's China subsidiaries.
9	**Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**
	The current results for the period ended 31 October 2017 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 2017, except for Capri LLC, as more fully explained below in paragraph 10.
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.**
	The Group's financial results for the next 12 months are most likely to be affected primarily by the performance of our three principal operating subsidiaries. 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 semiconductor industry. ESA also acts as agents and distributors of semi-conductor back-end equipment, such as vision inspection systems and test systems. We are expecting higher demand for burn-in-boards in the third quarter of FY2018 as compared with the third quarter of FY2017 due to major customers deferring orders to the third quarter. Thus far ESA has secured bookings of S$5.2 million during the third quarter of FY 2018.The demand for other products are affected by market uncertainty. Nonetheless, ESA is anticipating more orders for its OEM line of business, especially customised products that are related to the semiconductor industry. 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 Zhong Lian Huan Energy Investment Management Limited ("HZLH"), 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. These contracts have an average remaining life of 20 years.

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.**
	Recently HZLH has invested considerably in the construction of Compressed Natural Gas ("CNG") stations and pipeline installations to link to new households and industrial users. The completion of the Dou Shan gateway to Xiaochang City should create opportunities for more connection revenue along with more sales to new industrial customers, while simultaneously reducing transportation costs. In the current quarter we expect to finish construction of an 18 kilometre main pipeline from Yang Chai to Wang Jia Peng, which will enable natural gas transmission from the New Substation link to our Phase One network in Guangshui and a new industrial park. The total estimated cost is RMB65 million, which should provide the infrastructure required to support revenue and earnings growth as the customer base continues to expand. 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. Since 2015 new single-family homes in the immediate vicinity of Pierce County (where Capri's land is located) have seen price increases of nearly 20%. As per an article in The Tacoma News Tribune dated 21 January 2017, the most recent data compiled by Windermere Professional Partners, a real estate firm in Tacoma, indicates only 1.5 months of home inventory in Pierce County, with homes remaining on the market for an average of 26 days. According to real estate data firm Redfin, as quoted in an article in The Tacoma News Tribune dated 23 May 2017, Pierce County is tied with the Portland, Oregon area for being the third fastest moving housing market in the USA. In view of this, a feasibility study has been conducted to design and obtain regulatory approvals for the next phase of development comprising 261 lots. As announced on 1 December 2017, the Pierce County Triennial Review Hearing, originally scheduled for 18 October 2017, was postponed to 8 November 2017 to allow additional comments from the local public. At the next hearing held on 6 December 2017, Pierce County requested a further postponement to 14 February 2018. Until a definitive decision is made by the Pierce County regulators, marketing of the 261 lots is on hold and some of the placement proceeds received on 5 September 2017 may be reallocated to general working capital purposes.
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 six months ended 31 October 2017, 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.
	BY ORDER OF THE BOARD **IPCO INTERNATIONAL LIMITED** **CARLSON CLARK SMITH** **EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER** **13 DECEMBER 2017**