IPCO INTERNATIONAL LIMITED
FOR THE YEAR ENDED 30 APRIL 2018
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 12 Months to 30/04/18 S$'000	Group 12 Months to 30/04/17 S$'000	Group % Increase/ (decrease)
Revenue			
Sale of goods	23,421	17,005	37.7
Sale of land lots	-	-	-
Natural gas installation, connection, delivery and usage	35,201	29,409	19.7
	58,622	**46,414**	**26.3**
Other items of revenue/(expenses)			
Financial assets, at fair value through profit or loss			
- fair value loss	(9)	(14)	(35.7)
- net loss on disposal	(2)	-	nm
Other income	1,301	2,180	(40.3)
	1,290	**2,166**	**(40.4)**
Total revenue	**59,912**	**48,580**	**23.3**
Operating expenses			
Changes in inventories of finished goods, work-in-progress and land held for sale	124	285	(56.5)
Raw materials and consumables used	(38,422)	(30,135)	27.5
Amortisation of intangible assets	(1,319)	(1,357)	(2.8)
Depreciation of property, plant and equipment	(3,054)	(2,887)	5.8
Allowance for impairment loss of intangible assets	(45,971)	-	nm
Allowance for impairment loss of available-for-sale financial asset	(167)	(408)	(59.1)
Allowance for doubtful trade and other receivables	(5,930)	(64)	nm
Foreign exchange loss, net	(3,501)	-	nm
Employee benefits expenses	(7,063)	(8,790)	(19.6)
Finance Costs	(1,102)	(620)	77.7
Operating lease expenses	(548)	(529)	3.6
Other expenses	(2,701)	(2,405)	12.3
Total expenses	**(109,654)**	**(46,910)**	**nm**
(Loss)/Profit before income tax	**(49,742)**	**1,670**	**nm**
Income tax credit/(expense)	7,214	(1,177)	nm
(Loss)/Profit for the financial year	**(42,528)**	**493**	**nm**
Other comprehensive income :			
Exchange differences on translating foreign operations	2,963	379	nm
Other comprehensive income for the financial year	**2,963**	**379**	nm
Total comprehensive income for the financial year	**(39,565)**	**872**	nm
(Loss)/Profit attributable to :			
Owners of the parent	(43,443)	(209)	nm
Non-controlling interests	915	702	30.3
	(42,528)	**493**	nm
Total comprehensive income attributable to :			
Owners of the parent	(42,182)	389	nm
Non-controlling interests	2,617	483	nm
	(39,565)	**872**	nm
nm-not meaningful			

1(a)(ii)	**ADDITIONAL INFORMATION ON THE INCOME STATEMENT**			
		Group		
		12 Months to 30/04/18 S$'000	**12 Months to 30/04/17 S$'000**	**% Increase/ (decrease)**
	Other Income			
	Write back of other payables, deposits and accrued expenses	873	386	nm
	Reversal of allowance made for doubtful other receivables	-	155	nm
	Foreign exchange gain, net	-	1,098	nm
	Gain on disposal of property, plant and equipment	9	10	(10)
	Government grant	-	335	nm
	Interest income	288	134	nm
	Sundry income	131	62	nm
		1,301	**2,180**	**(40.3)**
	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 30/04/18 S$'000	Group As at 30/04/17 S$'000	Company As at 30/04/18 S$'000	Company As at 30/04/17 S$'000
Non-current assets				
Intangible assets	1,152	50,092	-	-
Property, plant and equipment	74,573	64,462	9	95
Subsidiaries	-	-	59,398	70,761
Other receivables	331	2,946	-	-
Deferred tax assets	979	910	-	-
	77,035	**118,410**	**59,407**	**70,856**
Current assets				
Available-for-sale financial assets	540	707	540	540
Inventories	2,660	12,962	-	-
Development Property	10,131	-	-	-
Trade and other receivables	14,870	9,339	31,841	64,239
Financial assets, at fair value through profit or loss	43	51	9	14
Cash and cash equivalents ** **Refer below breakdown**	8,490	9,036	98	74
	36,734	**32,095**	**32,488**	**64,867**
Current liabilities				
Trade and other payables	30,923	25,404	7,002	7,346
Provisions	94	294	75	294
Finance lease liabilities	2	46	2	46
Current income tax payable	793	920	-	-
Borrowings	10,337	8,891	200	-
	42,149	**35,555**	**7,279**	**7,686**
Net current (liabilities)/assets	**(5,415)**	**(3,460)**	**25,209**	**57,181**
Non-current liabilities				
Other Payables	-	(367)	-	-
Finance lease liabilities	-	(2)	-	(2)
Borrowings	(10,018)	(11,733)	-	-
Deferred tax liabilities	-	(8,706)	-	-
	(10,018)	**(20,808)**	**-**	**(2)**
NET ASSETS	**61,602**	**94,142**	**84,616**	**128,035**
Equity				
Share capital	265,811	264,227	265,811	264,227
Other reserves	(18,717)	(21,612)	1,961	1,961
Accumulated losses	(187,911)	(144,468)	(183,156)	(138,153)
Equity attributable to owners of the parent	**59,183**	**98,147**	**84,616**	**128,035**
Non-controlling interests	2,419	(4,005)	-	-
TOTAL EQUITY	**61,602**	**94,142**	**84,616**	**128,035**
**** Breakdown as follows:**				
Cash and cash equivalents	8,490	9,036		
Less:				
Bank Overdrafts	(1,606)	(2,089)		
Cash pledged for bank facilities	(2,600)	(2,600)		
As per consolidated statement of cash flows	**4,284**	**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 30/04/18 Secured S$'000	As at 30/04/18 Unsecured S$'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	9,604	735	8,117	820
Amount repayable after one year	10,018	-	11,735	-

Details of any collaterals

a **Short Term Borrowings**

(i) The current year's secured short term borrowings of S$9.604 million and previous year's borrowings of S$8.117 million comprise :
(a) short term bank borrowings of S$7.996 million in current year as compared to S$5.982 million in previous year which are secured by property, plant and equipment. Interest is charged at 4.57% to 6.95% per annum.
(b) the remaining bank borrowings of S$1.606 million in current year and S$2.089 million in previous year, are secured by cash pledged for bank facilities. Interest is charged at 5% per annum.
(c) finance lease liabilities of S$0.002 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$0.735 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 $0.535 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$10.018 million as compared to previous year's secured long term borrowings of S$11.735 million comprise :
(a) bank borrowings of S$10.018 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 YEAR ENDED 30 APRIL 2018	12 Months to 30/04/18 S$'000	12 Months to 30/04/17 S$'000
Operating activities		
(Loss)/Profit before income tax	**(49,742)**	**1,670**
Adjustments for:		
Allowance made for doubtful trade and other receivables	5,930	64
Reversal of allowance made for doubtful other recivables	-	(155)
Write back other creditors, deposits and accrued expenses	(873)	(386)
Share based expense	-	226
Other receivables written off	63	49
Amortisation of intangible assets	1,319	1,357
Depreciation of property, plant and equipment	3,054	2,887
Allowance for impairment loss of intangible assets	45,971	-
Allowance for impairment loss of available-for-sale financial assets	167	408
Gain on disposal of property, plant and equipment	(9)	(10)
Interest expenses	1,077	595
Interest income	(288)	(134)
Provision written back during the financial year	(95)	294
Fair value loss on financial assets, at fair value through profit or loss	9	14
Unrealised foreign exchange	3,330	(1,321)
Operating profit before changes in working capital	**9,913**	**5,558**
Working capital changes		
Inventories	171	(354)
Trade and other receivables	(3,326)	730
Trade and other payables	5,526	3,617
Provisions	(106)	(283)
Cash from operations	**12,178**	**9,268**
Interest received	207	53
Interest paid	(1,033)	(1,090)
Net income tax paid	(1,384)	(1,357)
Net cash from operating activities	**9,968**	**6,874**
Investing activities		
Net addition of intangible assets	(8)	(346)
Purchase of property, plant and equipment	(11,216)	(8,217)
Proceeds from disposals of property, plant and equipment	156	494
Net cash used in investing activities	**(11,068)**	**(8,069)**
Financing activities		
Proceeds from borrowings	5,952	4,048
Proceeds from issuance of shares	1,584	540
Dividend paid to non-controlling interests of a subsidiary	-	(484)
Repayments of borrowings	(6,523)	(4,300)
Repayments of finance leases	(47)	(46)
Net cash from/(used in) financing activities	**966**	**(242)**
Net change in cash and cash equivalents	**(134)**	**(1,437)**
Effect of foreign exchange rate changes in cash and cash equivalents	71	138
Cash and cash equivalents at beginning of financial period	4,347	5,646
Cash and cash equivalents at end of financial year	**4,284**	**4,347**

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**		
	See separate schedule.		
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 year, 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 30/04/18	**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 year 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**		
	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 year 30/04/18 and (Based on 5,869,786,287 basic and diluted weighted average number of ordinary shares in issue at 30/04/18)	(0.74)	(0.74)
6(b)	immediately preceding financial period 30/04/17 (Based on 5,256,416,424 basic and diluted weighted average number of ordinary shares in issue at 30/04/17)	(0.004)	(0.004)

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 year ended 30/04/18 and (Based on 6,180,799,986 issued shares at 30/04/18)	0.01	0.01
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:

FY18 vs FY17

For the financial year ended 30 April 2018 ("FY18"), the Group achieved a Turnover of S$58.6 million, which was S$12.2 million or 26.3% higher than the Turnover of S$46.4 million recorded for the corresponding financial year ended 30 April 2017 ("FY17"). The Group's Turnover was mainly attributable to the following subsidiaries:

- ESA recorded a 37.7% increase in Turnover of S$6.4 million to approximately S$23.4 million in FY18, as compared to a Turnover of S$17.0 million recorded in FY17. The increase was mainly due to higher demand of burn-in boards by semi-conductor manufacturers in the current year.
- Capri Investments L.L.C. ("Capri") which was transferred to Excellent Empire Limited ("Excellent Empire") in the previous financial year, did not make any contribution in FY18 and FY17 as there was no finalised sales agreement with home builders in the current and previous year.
- 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$35.2 million in FY18, as compared with S$29.4 million in FY17. The 19.7% increase in Turnover of S$5.8 million was mainly due to increase in natural gas sales to industrial users and new household consumers.

The Group recorded a Loss before Income Tax of S$49.7 million in FY18, as compared with Profit before Income Tax of S$1.7 million recorded in FY17, resulting in an increase of S$51.4 million Loss before Income Tax mainly attributable to S$46.0 million Allowance for Impairment Loss of Intangible Assets.

The Group recorded a Loss after Income Tax of S$42.5 million in FY18, as compared with a Profit after Income Tax S$0.5 million recorded in FY17.

Correspondingly, in FY18 the Group had Loss Attributable to Shareholders of S$43.4 million and Loss per Share of 0.74 Singapore cents (FY17: Net Loss Attributable to Shareholders S$0.2 million and Loss per Share of 0.004 Singapore cents).

Other Revenue decreased by S$0.9 million to S$1.3 million in FY18, as compared with S$2.2 million FY17. This was mainly due :

(a) an increase of S$0.5 million in write back of other payables, deposits and accrued expenses mainly arising from expiry of mandatory period for claims;
(b) a foreign exchange gain of S$1.1 million in FY17, see note (l) below;
(c) a S$0.3 million government grant and a S$0.2 reversal of allowance made for doubtful other receivables in FY17 and none in FY18;
(d) an increase of S$0.2 million in interest and sundry income.

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's Total Cost and Expenses increased by approximately S$62.8 million to S$109.7 million in FY18, compared with S$46.9 million in FY17. This was mainly due to:

(e) S$8.4 million increase in the changes in inventories, work-in-process, raw materials and consumables, which is in line with the increased turnover by the semi-conductor business of ESA;

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

(g) S$46.0 million Allowance For Impairment Loss of Intangible Assets, mainly from Goodwill of the Group's subsidiaries and the Distribution and Licensing Rights of China subsidiaries;

(h) S$5.9 million increase in Allowance for Doubtful Receivables mainly from Xiaogan Heshun Investment Management Centre LLP ("Heshun") offset by a decrease of S$0.2 million Allowance for Impairment Loss of Available-for-sale financial assets;

(i) S$1.7 million decrease in Employee Benefit Expenses due to higher bonuses accrued in previous FY17 by ESA;

(j) S$0.5 million increase in Finance Costs, mainly from interests of bank borrowings of China subsidiaries which were expensed off in FY18 due to completion on construction of Compressed Natural Gas ("CNG") stations and pipelines as compared to the capitalisation of such interests in FY17 where the construction was still in progress;

(k) S$0.3 million increase in other operating expenses, mainly from China subsidiaries which is in line with the increased turnover in FY18;

(l) S$3.5 million Foreign Exchange Loss in FY18 (FY17 Foreign Exchange Gain of S$1.1 million) 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$1.324 (FY17: strengthened from S$1.344 to S$1.396);

(ii) Chinese Renminbi ("RMB"), at exchange rates of 1 RMB to S$ which strengthened from S$0.202 to S$0.209 (FY17: weakened from S$0.207 to S$0.202).

An Income Tax credit of S$7.2 million in FY18 compared to Income Tax Expense of S$1.2 million in FY17, mainly due to write back of taxes attributable to deferred tax liabilities arising from fair valuation of the Distribution and Licensing Rights of China subsidiaries which is impaired in FY18.

Consolidated Statement of Financial Position and Cash Flows:

Description	**Amount in S$ million**
1) An Increase/(Decrease) in Non-Current Assets	
1a. Intangible Assets	(48.9)
1b. Property, Plant and Equipment	10.1
1c. Other Receivables	(2.6)
Decrease in Non-Current Assets	**(41.4)**
2) An Increase/(Decrease) in Current Assets and (Increase)/Decrease in Current Liabilities	
2a. Trade and Other Receivables and Inventories	(4.7)
2b. Development Property	10.1
2c. Cash and Bank Balances	(0.5)
2d. Trade and Other Payables and Income Tax Payable	(5.4)
2e. Borrowings	(1.4)
Increase in Net Current Liabilities	**(1.9)**
3) An (Increase)/Decrease in Non-Current Liabilities	
3a. Long-Term Payables, Borrowings and Finance Lease Liabilities	2.1
3b. Deferred Tax Liabilities	8.7
Decrease in Non-Current Liabilities	**10.8**

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$77.0 million as at 30 April 2018, as compared to S$118.4 million as at 30 April 2017. The decrease of S$41.4 million was primarily due to: 1a. a decrease in Intangible Assets of S$48.9 million, mainly due S$1.6 million foreign exchange translation loss of Goodwill, Distribution and Licensing Rights in foreign currency denominated subsidiaries, a S$1.3 million amortisation of Distribution and Licensing Rights in current FY18, and impairment of S$46 million of these Goodwill, Distribution and Licensing Rights; 1b. an increase in Property, Plant and Equipment of S$10.1 million, mainly due to S$2.0 million foreign exchange translation gain of Property, Plant and Equipment, S$11.2 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$3.1 million depreciation in current FY18; 1c. a decrease of Other Receivables of S$2.6 million, mainly due to a settlement of S$0.2 million non-trade receivables and an increase of S$5.9 million other receivables of China subsidiary offset by S$8.4 million reclass to short term receivables and S$0.1 million increase in prepayments of contractors for construction of CNG stations and pipelines of China subsidiaries. The Net Current Liabilities of the Group is S$5.4 million as at 30 April 2018, as compared with S$3.5 million as at 30 April 2017. This was attributable to: 2a. a decrease in Trade and Other Receivables and Inventories of S$4.7 million, primarily due to a reclass of S$8.4 million from long term receivables of a Group subsidiary offset by a reclass of S$10.1 million to Development Property in FY18, a net S$0.2 million increased inventories, mainly from ESA, a S$5.9 million allowance for doubtful trade and other receivables mainly from Heshun, and a net increase of S$2.7 million in Trade and Other Debtors of the Group's subsidiaries; 2b. a reclass of S$10.1 million to Development Property in FY18, previously included as inventories in FY17, relating to the land held by Capri; 2c. a decrease of S$0.5 million in Cash and Bank Balances, mainly due to S$2.4 million payment of taxes and interest, S$11.2 million payments for gas station construction and pipelines mainly by the Group's China subsidiaries, net S$0.6 million outflow due to repayments and proceeds from bank borrowings, S$1.6 million proceeds from issuance of new ordinary shares, and S$12.1 million net receipts and payments, of Receivables and Payables by the Group's subsidiaries; 2d. an increase in Trade, Other Payables and Income Tax Payable of S$5.4 million, mainly due to S$1.4 million Tax Payments, S$1.3 million current tax provision and S$5.5 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; 2e. an increase in Short-Term Borrowings of S$1.4 million, mainly due to new loans of S$6.0 million for working capital of China subsidiaries which were offset by S$5.0 million net bank loan repayments of these subsidiaries in China, S$0.2 million write back of a subsidiary's borrowings exceeding mandatory claim period, and a S$0.6 million reclassification from Long-Term Borrowings. The Non-Current Liabilities of the Group have decreased to S$10.0 million as at 30 April 2018, compared to S$20.8 million as at 30 April 2017. This is primarily attributable to: 3a. a decrease of S$2.1 million in Long-Term Payables, Borrowings and Finance lease liabilities, mainly due to a decrease of S$0.4 million Long Term Payables of a China subsidiary offset by S$0.4 million translation loss of these borrowings, a $0.6 million reclassification to Short-Term Borrowings, and S$1.5 million repayment of these borrowings by the China subsidiaries; 3b. a write back of S$8.7 million Deferred Tax attributable to Deferred Tax Liabilities arising from fair valuation of the Distribution and Licensing Rights of China subsidiaries which is impaired in FY18.
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 year ended 30 April 2018 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.

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 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.

ESA's financial performance improved compared with FY2017 predominately due to strong growth in sales revenue from Taiwan customers and substantial increase in equipment sales.

As demand for burn-in board increases and based on its order book, ESA is forecasted to experience modest growth in the first half of FY19.

As published by the Singapore Business Times on 11 June 2018 (http://www.sgsme.sg/news/government/no-swan-song-singapore-semiconductors) Economic Development Board Assistant Managing Director Mr Lim Kok Kiang provides further insight noting "the semiconductor industry is export-oriented and driven by global demand and the industry's business cycles. But it is poised to ride the wave of new technologies."

The Group's wholly-owned subsidiary Excellent Empire Limited, via its 100% owned subsidiary China Environmental Energy Protection Investment Limited ("CEEP"), holds 65% equity interest in Hubei Zhong Lian Huan Energy Investment Management Limited ("HZLH"). HZLH in turn holds a 100% equity interest in four companies supplying natural gas under 30-year exclusive contracts with the cities of Anlu, Dawu, Xiaochang, and Guangshui in Hubei Province, PRC.

As announced in Note 10 of the Group's Unaudited 3rd Quarter Financial Statements, the equity ownership of HZLH was subject to re-statement following further investigation by the Board in connection with sale of HZLH shares by CEEP in March 2015 to Xiaogan Heshun Investment Management Centre LLP ("Heshun"), a limited partnership formed by key employees of HZLH. Based on the legal advice obtained from the Company's PRC lawyers, the Group's ownership of HZLH should be stated at 65% and not 85% as reported in 2016 and 2017.

This advice has been reviewed by the Board who has accepted this position and the Unaudited Full Year 2018 Financial Statements are prepared on that basis. The non-controlling interest may be subject to further adjustments following review by the Group's auditor.

As the contractual deadlines for full payment of the shares sold to a key management staff (RMB13,600,000) and the employee share scheme under Heshun (RMB26,800,000) had lapsed in early 2018 with no extension agreement in place, the unpaid balance has been re-classified as a short-term receivable. Based on consultation with the Group's auditor about the recoverability of Heshun's unpaid balance an allowance for impairment of the full amount has been made. The Board is still in discussions with both parties on how to resolve this issue amicably.

The Group has conducted a review of the carrying-value of the intangible assets relating to its investment in HZLH. Following a value-in-use assessment, a significant impairment amounting to S$45.971 million has been taken against these intangible assets.

PRC Government policies favouring cleaner energy including natural gas had caused recent gas shortages nationwide. The shortages have led to HZLH being encouraged by local governments to prioritise residential households over industrial users. The PRC Government is trying to mitigate economic disruption especially as demand for gas for heating increases during Winter months.

HZLH is in the process of expanding its Guangshui concession coverage into nearby towns of Lidian, Yangzai and Taiping.

Capri Investment L.L.C. ("Capri"), in which the Group holds a 100% equity interest, is engaged in property development and is currently in the planning stage of its next phase of its Falling Water Project which is located near the cities of Seattle and Tacoma in the state of Washington, USA.

On 28 March 2018, the Hearing Examiner released his decision granting the twenty-first annual extension of the preliminary plat, with conditions. The major conditions imposed by the Hearing Examiner are:

1. Residential lots capped at 592 units, all of which are for detached single-family homes.
2. Compliance timeline for completion of Phases 1-10 of the Preliminary Plat/PDD approval for Falling Water consisting of 261 residential lots; future annual extensions will be granted through buildout as long as compliance with the timeline is achieved.
3. Tracts designated for future development shall be evaluated for non-residential uses permitted in the underlying zoning at the time of application.

With the extension having been granted, Capri is now focused on completing the engineering work plans required as per the extension approval and compliance timeline, which include boundary and topographic design surveys, design and approval of the large on-site sewerage system and the attendant approval-in-principle from Washington State Department of Health ("DOH").

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.**
	When final engineering construction plans are completed, Capri will be in a position to commence marketing the 261 residential lots to local home builders. Barghausen Consulting Engineers Inc has been appointed as lead engineers and their initial time estimate for said engineering works is between nine to twelve months, depending on the availability of the sub-consultants and the approval process of the DOH. Overall Pierce County is seeing rising values as the overall market in the Puget Sound region is struggling to provide affordable housing opportunities, particularly in the core market of King County. Buyers are turning to Pierce County as an affordable alternative to escalating home prices in King County. According to John L. Scott, a leading local real estate firm, Pierce County home values for single family home rose over 22% from $320,000 to $392,000 over the last year based on June statistics. In the immediate market for Falling Water in the Bonney Lake area of Pierce County, single family home values rose from $380,000 to $462,000, an increase of over 21% year on year. New constructions saw the average home sale price rise from $447,000 to over $500,000/ $504,000, an increase of almost 13%. The Company engaged CJM Investment Property Advisors of which its appraisers are members of the Appraisal institute (USA) and certified in the State of Washington. On an “As-is” basis, subject to the assumptions and limiting conditions referred to in the appraisal report, CJM opined the market value of the Falling Water land parcel of Capri at US$9,450,000 (S$12,512,000). The Group has reclassified the Falling Water project as Development Property resulting in $10.1m increase of value in Group’s balance sheet. As of 30 April 2018, Capri Investments LLC does not own any improved residential lots to be classified at inventory held for sale save for 1 unsold lot from an earlier phase of development. The Falling Water planned preliminary plat/planned development district (“PDD”), originally approved in 1997, granted Capri entitlements to develop 979 residential lots and non-residential uses subject to conditions set out in a 2003 Major Amendment and yearly extensions of the preliminary plat approval. The Development Property that Capri has for sale are Tax Parcels which are “sewn together” to form the PDD and are subject to the additional conditions imposed by the Hearing Examiner on 28 March 2018.
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)**
	Not Applicable
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.
PART II	**ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**
16	**Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**
	See separate schedule

17	**In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**
	ESA despite competitive environment managed to improve its performance in FY2018 largely due to strong demand for its burn-in boards and equipment sales to key customers in Taiwan. HZLH, in spite of Natural Gas shortages in the PRC managed to deliver revenue growth in-line with expectations. Capri had no lot sales in FY18 and therefore no revenue or earning contributions
18	**A breakdown of sales as follows :**

		Group		
		Latest Financial Year to 30/04/18 S$'000	**Previous Financial Year to 30/04/17 S$'000**	**% Increase/ (decrease)**
18(a)	**Sales reported for first half year**			
	Sale of goods	9,811	10,460	(6.2)
	Sale of land	-	-	-
	Natural gas installation,connection,delivery and usage	14,406	13,402	7.5
	Total	**24,217**	**23,862**	**1.5**
18(b)	**Operating (loss)/profit after tax before deducting minority interests reported for first half year**	**(829)**	**2,176**	**nm**
18(c)	**Sales reported for second half year**			
	Sale of goods	13,610	6,545	nm
	Sale of land	-	-	-
	Natural gas installation,connection,delivery and usage	20,795	16,007	29.9
	Total	**34,405**	**22,552**	**52.6**
18(d)	**Operating loss after tax before deducting minority interests reported for second half year**	**(41,699)**	**(1,683)**	nm

19	**A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

		Latest Financial Year to 30/04/17 S$'000	Previous Financial Year to 30/04/16 S$'000
19(a)	Ordinary	0	0
19(b)	Preference	0	0
19(c)	**Total**	**0**	**0**

20	**Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.** **Name Age Family relationship with any director and/or substantial shareholder Current position and duties, and the year the position was held** **Details of changes in duties and position held, if any, during the year**
	There is no managerial position in the Company or in any of its principal subsidiaries occupied by a person who is a relative of a director, or chief exective officer or substantial shareholder of the Company.
	BY ORDER OF THE BOARD **IPCO INTERNATIONAL LIMITED** **JAMES MOFFATT BLYTHMAN** **EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER** **29 JUNE 2018**