IPCO INTERNATIONAL LIMITED
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 JANUARY 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 31/01/17 S$'000	3 Months to 31/01/16 S$'000	% Increase/ (decrease)	9 Months to 31/01/17 S$'000	9 Months to 31/01/16 S$'000	% Increase/ (decrease)
Revenue						
Sale of goods	3,307	5,726	(42.2)	13,767	20,048	(31.3)
Sale of land lots	-	-	-	-	-	-
Natural gas installation, connection, delivery and usage	8,857	9,050	(2.1)	22,259	23,845	(6.7)
	12,164	**14,776**	**(17.7)**	**36,026**	**43,893**	**(17.9)**
Other items of revenue/(expenses)						
Available-for-sale financial assets						
- net loss on disposal	-	(339)	nm	-	(339)	nm
Financial assets, at fair value through profit or loss						
- fair value gain/(loss)	4	(272)	nm	(23)	(971)	(97.6)
- net loss on disposal	-	(24)	nm	-	(24)	nm
Other income	5,974	6,475	(7.7)	7,261	13,127	(44.7)
	5,978	**5,840**	**2.4**	**7,238**	**11,793**	**(38.6)**
Total revenue	**18,142**	**20,616**	**(12.0)**	**43,264**	**55,686**	**(22.3)**
Operating expenses						
Changes in inventories of finished goods, work-in-progress and land held for sale	365	(194)	nm	319	(287)	nm
Raw materials and consumables used	(8,130)	(10,018)	(18.8)	(23,210)	(28,728)	(19.2)
Amortisation of intangible assets	(349)	(342)	2.0	(1,012)	(1,022)	(1.0)
Depreciation of property, plant and equipment	(659)	(638)	3.3	(1,885)	(2,150)	(12.3)
Allowance for doubtful receivables, net	21	(50)	nm	(21)	(52)	(59.6)
Employee benefits expenses	(2,756)	(1,490)	85.0	(6,450)	(4,656)	38.5
Finance costs	(209)	(80)	nm	(366)	(252)	45.2
Operating lease expenses	(125)	(128)	(2.3)	(380)	(381)	(0.3)
Other expenses	(35)	(749)	(95.3)	(1,215)	(3,481)	(65.1)
Total expenses	**(11,877)**	**(13,689)**	**(13.2)**	**(34,220)**	**(41,009)**	**(16.6)**
Profit from operations	**6,265**	**6,927**	**(9.6)**	**9,044**	**14,677**	**(38.4)**
Share of results of associated companies, net of tax	-	(55)	nm	-	(35)	nm
Profit before income tax	**6,265**	**6,872**	**(8.8)**	**9,044**	**14,642**	**(38.2)**
Income tax expense	(309)	(482)	(35.9)	(912)	(1,094)	(16.6)
Profit for the financial period	**5,956**	**6,390**	**(6.8)**	**8,132**	**13,548**	**(40.0)**
Other comprehensive income :						
Available-for-sale-financial assets						
- fair value loss	(25)	(882)	(97.2)	(26)	(2,678)	(99.0)
Exchange differences on translating foreign operations	(1,969)	(621)	nm	(2,499)	(1,382)	80.8
Other comprehensive income for the financial period	**(1,994)**	**(1,503)**	**32.7**	**(2,525)**	**(4,060)**	**(37.8)**
Total comprehensive income for the financial period	**3,962**	**4,887**	**(18.9)**	**5,607**	**9,488**	**(40.9)**

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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 31/01/17 S$'000	3 Months to 31/01/16 S$'000	% Increase/ (decrease)	9 Months to 31/01/17 S$'000	9 Months to 31/01/16 S$'000	% Increase/ (decrease)
Profit attributable to :						
Owners of the parent	5,330	6,068	(12.2)	7,500	11,446	(34.5)
Non-controlling interests	626	322	94.4	632	2,102	(69.9)
	5,956	**6,390**	**(6.8)**	**8,132**	**13,548**	**(40.0)**
Total comprehensive income attributable to :						
Owners of the parent	3,185	4,632	(31.2)	4,908	8,169	(39.9)
Non-controlling interests	777	255	nm	699	1,319	(47.0)
	3,962	**4,887**	**(18.9)**	**5,607**	**9,488**	**(40.9)**
nm-not meaningful						

1(a)(ii) ADDITIONAL INFORMATION ON THE INCOME STATEMENT

	Group			Group		
	3 Months to 31/01/17 S$'000	3 Months to 31/01/16 S$'000	% Increase/ (decrease)	9 Months to 31/01/17 S$'000	9 Months to 31/01/16 S$'000	% Increase/ (decrease)
Other Income						
Other creditors and accrued expenses written back	-	6,720	nm	25	6,720	(99.6)
Administrative service fee, rental and corporate guarantee fee from an associated company	-	3	nm	-	10	nm
Foreign exchange gain, net	5,945	(429)	nm	7,088	6,034	17.5
Gain on disposal of a subsidiary	-	1	nm	-	1	nm
Gain on disposal of property, plant and equipment	-	3	nm	3	5	(40.0)
Interest income	25	22	13.6	126	107	17.8
Sundry income	4	155	(97.5)	19	250	(92.4)
	5,974	**6,475**	**(7.7)**	**7,261**	**13,127**	**(44.7)**
nm-not meaningful						

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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 31/01/17 S$'000**	**Group As at 30/04/16 S$'000**	**Company As at 31/01/17 S$'000**	**Company As at 30/04/16 S$'000**
	Non-current assets				
	Intangible assets	52,269	49,259	-	-
	Property, plant and equipment	65,100	60,505	117	185
	Subsidiaries	-	-	70,761	70,761
	Other receivables	4,385	3,533	-	-
	Deferred tax assets	1,287	1,282	-	-
		123,041	**114,579**	**70,878**	**70,946**
	Current assets				
	Available-for-sale financial assets	1,094	1,118	540	580
	Inventories	13,333	12,220	-	-
	Trade and other receivables	10,292	9,216	65,296	61,061
	Financial assets, at fair value through profit or loss	42	65	16	32
	Cash and cash equivalents ** **Refer to breakdown below**	6,190	10,156	73	158
		30,951	**32,775**	**65,925**	**61,831**
	Current liabilities				
	Trade and other payables	22,939	22,048	6,936	8,601
	Provisions	340	283	334	283
	Finance lease liabilities	45	45	45	45
	Current income tax payable	797	1,004	-	-
	Borrowings	8,045	7,760	-	-
		32,166	**31,140**	**7,315**	**8,929**
	Net current (liabilities)/assets	**(1,215)**	**1,635**	**58,610**	**52,902**
	Non-current liabilities				
	Other Payables	(417)	(425)	-	-
	Finance lease liabilities	(15)	(49)	(15)	(49)
	Borrowings	(13,244)	(13,929)	-	-
	Deferred tax liabilities	(9,499)	(8,823)	-	-
		(23,175)	**(23,226)**	**(15)**	**(49)**
	NET ASSETS	**98,651**	**92,988**	**129,473**	**123,799**
	Equity				
	Share capital	264,227	263,687	264,227	263,687
	Other reserves	(29,137)	(26,545)	1,921	1,961
	Accumulated losses	(132,908)	(139,924)	(136,675)	(141,849)
	Equity attributable to owners of the parent	**102,182**	**97,218**	**129,473**	**123,799**
	Non-controlling interests	(3,531)	(4,230)	-	-
	TOTAL EQUITY	**98,651**	**92,988**	**129,473**	**123,799**
	**** Breakdown as follows:**				
	Cash and cash equivalents	6,190	10,156		
	Less:				
	Bank Overdrafts	(2,100)	(1,910)		
	Cash pledged for bank facilities	(2,600)	(2,600)		
	As per consolidated statement of cash flows	**1,490**	**5,646**		

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:

Group Borrowings and Debt Securities	As at 31/01/17 Secured S$'000	As at 31/01/17 Unsecured S$'000	As at 30/04/16 Secured S$'000	As at 30/04/16 Unsecured S$'000
Amount repayable in one year or less, or on demand	7,240	850	7,015	790
Amount repayable after one year	13,259	-	13,978	-

Details of any collaterals

a **Short Term Borrowings**

(i) The current year's secured short term borrowings of S$7.24 million and previous year's borrowings of S$7.02 million comprise :
(a) short term bank borrowings of S$5.09 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$2.1 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) finance lease liabilities of S$0.05 million in current year and S$0.05 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 4.30% per annum.

(ii) The unsecured short term borrowings of S$0.85 million and S$0.79 million in current and previous year respectively, 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$13.26 million as compared to previous year's secured long term borrowings of S$13.98 million comprise :
(a) bank borrowings of S$13.24 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$0.02 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 4.30% per annum.

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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 THIRD QUARTER AND NINE MONTHS ENDED 31 JANUARY 2017	3 Months to 31/01/17 S$'000	3 Months to 31/01/16 S$'000	9 Months to 31/01/17 S$'000	9 Months to 31/01/16 S$'000
Operating activities				
Profit before income tax	**6,265**	**6,872**	**9,044**	**14,642**
Adjustments for:				
Allowance (written back)/made for doubtful receivables	(21)	50	21	52
Write back other creditors and accrued expenses	(1)	(6,720)	(25)	(6,720)
Amortisation of intangible assets	349	342	1,012	1,022
Depreciation of property, plant and equipment	659	638	1,885	2,150
Gain on disposal of property, plant and equipment	-	(3)	(3)	(5)
Interest expenses	180	67	293	188
Interest income	(25)	(22)	(126)	(107)
Loss on disposal of a subsidiary	-	-	-	1,182
Provisions made during the financial year	296	25	340	74
Share of results of associated companies	-	55	-	35
Fair value (gain)/loss on financial assets, at fair value through profit or loss	(4)	272	23	971
Loss on disposal of available-for-sale financial assets	-	339	-	339
Unrealised foreign exchange	(6,040)	453	(7,222)	(5,822)
Operating profit before changes in working capital	**1,658**	**2,368**	**5,242**	**8,001**
Working capital changes				
Inventories	(1,051)	480	(1,060)	(1,912)
Trade and other receivables	1,013	(715)	(932)	1,841
Net disposal and acquisition of financial assets held-for-trading	-	(4)	-	(4)
Trade and other payables	925	3,561	1,005	211
Provisions	(298)	(14)	(283)	(14)
Cash from operations	**2,247**	**5,676**	**3,972**	**8,123**
Interest received	25	22	126	107
Interest paid	(180)	(67)	(293)	(188)
Net income tax paid	(357)	(502)	(1,118)	(1,070)
Net cash from operating activities	**1,735**	**5,129**	**2,687**	**6,972**
Investing activities				
Addition of intangible assets	(356)	(2)	(356)	(18)
Purchase of property, plant and equipment	(4,041)	(4,071)	(6,301)	(8,834)
Proceeds from disposals of property, plant and equipment	(10)	3	345	5
Proceeds from disposal of available-for-sale financial assets	-	120	-	120
Net cash used in investing activities	**(4,407)**	**(3,950)**	**(6,312)**	**(8,727)**
Financing activities				
Proceeds from borrowings	-	(116)	4,140	4,355
Proceeds from issuance of shares	-	-	540	-
Dividends paid to non-controlling interests of a subsidiary	-	-	(484)	-
Repayments of borrowings	(403)	(180)	(4,918)	(5,988)
Repayments of finance leases	(11)	(11)	(33)	(32)
Net cash used in financing activities	**(414)**	**(307)**	**(755)**	**(1,665)**
Net change in cash and cash equivalents	**(3,086)**	**872**	**(4,380)**	**(3,420)**
Effect of foreign exchange rate changes in cash and cash equivalents	131	(134)	224	436
Cash and cash equivalents at beginning of financial period	4,445	2,877	5,646	6,599
Cash and cash equivalents at end of financial period	**1,490**	**3,615**	**1,490**	**3,615**

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 5,100799,986 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 31/01/17	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 31/01/17 and (Based on 5,242,104,338 basic and diluted weighted average number of ordinary shares in issue at 31/01/17)	0.14	0.14
6(b)	immediately preceding financial period 31/01/16 (Based on 5,100,799,986 basic and diluted weighted average number of ordinary shares in issue at 31/01/16)	0.22	0.22

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 31/01/17 and (Based on 5,300,799,986 issued shares at 31/01/17)	0.02	0.02
7(b)	immediately preceding financial year at 30/04/16 (Based on 5100,799,986 issued shares at 30/04/16)	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:

3Q FY17 vs 3Q FY16

In the third quarter ended 31 January 2017 ("3Q FY17"), the Group achieved a Turnover of S$12.2 million, which was 17.7% lower than the Turnover of S$14.8 million recorded for the corresponding quarter ended 31 January 2016 ("3Q FY16"). 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 42.2% decrease in Turnover of S$2.4 million, from S$5.7 million recorded in 3Q FY16 to S$3.3 million in 3Q 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 3Q FY17 or 3Q FY16, as there were no finalised sales agreement with home builders in the current and previous 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$8.9 million in the 3Q FY17, as compared to S$9.1 million in 3Q FY16. This was mainly due to a decrease in installations to new households, resulting in lower connection fees.

The Group recorded a Profit before Income Tax of S$6.3 million in 3Q FY17, as compared to S$6.9 million recorded in 3Q FY16, resulting in a decrease of S$0.6 million in Profit before Income Tax.

The Group recorded a Profit after Income Tax of S$6.0 million in 3Q FY17, compared to S$6.4 million recorded in 3Q FY16.

Other Revenue increased by S$0.2 million to S$6.0 million in 3Q FY17, compared to S$5.8 million in 3Q FY16. This was mainly attributable to:
a) a S$0.3 million Net Loss on disposal of Available-For-Sale of Financial Assets ("AFS") of quoted securities in 3Q FY16 and none in 3Q FY 17;
b) an increase of S$0.3 million Fair Value Gain of Financial Assets, at Fair Value Through Profit or Loss ("FVTPL") arising from market valuation of quoted securities;
c) a write-back of S$6.7 million from other creditors of a subsidiary in 3Q FY16 arising from expiry of mandatory period for claims and none in 3Q FY17;
d) an increase of S$6.3 million Foreign Exchange Gain in 3Q FY17, from a loss of S$0.4 million in 3Q FY16 to S$5.9 million in 3Q FY17, largely due to unrealised exchange gains arising from the revaluation of foreign currency denominated balances primarily in:
i) United States Dollars ("US$"), which strengthened from S$1.365 in 2Q FY17 to S$1.447 in 3Q FY17, as compared to a weakening of S$1.424 in 2Q FY16 to S$1.414 in 3Q FY16;
ii) Chinese Renminbi ("RMB"), which strengthened from S$0.205 in 2Q FY17 to S$0.208 in 3Q FY17, as compared to a weakening of S$0.224 in 2Q FY16 to S$0.218 in 3Q FY16.

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 decreased by approximately S$1.8 million to S$11.9 million in 3Q FY17, compared to S$13.7 million in 3Q FY16. This was mainly due to:
a) changes in inventories, work-in-process, raw materials and consumables decreased by S$2.4 million, which is in line with the decreased turnover by the semi-conductor business of ESA;
b) S$1.3 million increase in employee benefit expenses, mainly due to reclassification of staff related costs from cost of sales by ESA, offset by S$0.7 million decrease in other operating expenses of the Group's subsidiaries.

A share of loss of S$55,000 from a previous associate company, Industrial Engineering Systems Pte Ltd, was recorded in 3Q FY16 and none in 3Q FY17, due to its disposal in the previous year.

A decrease of Income Tax of S$0.2 million to S$0.3 million in 3Q FY17, as compared with S$0.5 million in 3Q FY16, mainly due to decrease in tax provisions by the Group's subsidiaries.

9M FY17 vs 9M FY16

During the nine months ended 31 January 2017 ("9M FY17"), the Group achieved a Turnover of S$36.0 million, which was S$7.9 million or 17.9% lower than the Turnover of S$43.9 million recorded for the corresponding nine months ended 31 January 2016 ("9M FY16"). The Group's Turnover was mainly attributable to the following subsidiaries:

- ESA recorded a 31.3% decrease in Turnover of S$6.3 million to S$13.7 million in 9M FY17, as compared to a Turnover of S$20.0 million recorded in 9M 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 9M FY17 or 9M FY16 as there were no finalised sales agreement with home builders in the current and previous 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$22.2 million in 9M FY17, compared to S$23.8 million in 9M FY16. The 6.7% decrease in Turnover of S$1.6 million was due to a decrease in installations to new households, resulting in lower connection fees.

e) The Group recorded a Profit before Income Tax of S$9.0 million in 9M FY17, as compared with S$14.6 million recorded in 9M FY16, resulting in a decrease of S$5.6 million in Profit before Income Tax. The decrease was mainly due to a write-back of S$6.7 million from other creditors of a subsidiary in 9M FY16 arising from expiry of mandatory period for claims and none in 9M FY17.

The Group recorded a Profit after Income Tax of S$8.1 million in 9M FY17, as compared with a S$13.5 million recorded in 9M FY16.

Correspondingly, in 9M FY17 the Group had a Net Profit Attributable to Shareholders of S$7.5 million and Earnings per Share of 0.14 Singapore cents (9M FY16: Net Profit Attributable to Shareholders S$11.4 million and Earnings per Share of 0.22 Singapore cents).

Other Revenue decreased by S$4.6 million, to S$7.2 million in 9M FY17, as compared to S$11.8 million in 9M FY16. This was mainly due to:
a) a S$0.3 million net loss on disposal of AFS of quoted securities in 9M FY16 and none in 9M FY17;
b) a decrease of S$0.9 million in fair value loss on FVTPL;
c) a write-back of S$6.7 million from other creditors of a subsidiary in 9M FY16, arising from expiry of mandatory period for claims and none in 9M FY17;
d) an increase of S$1.1 million in Foreign Exchange Gain in 9M FY17, from S$6.0 million in 9M FY16 to S$7.1 million in 9M FY17, largely due to unrealised exchange gains arising from the revaluation of foreign currency denominated balances primarily in:
i) United States Dollars ("US$"), which strengthened from S$1.344 to S$1.447 (9M FY16: from S$1.324 to S$1.414);
ii) Chinese Renminbi ("RMB"), which strengthened from S$0.207 to S$0.208 (9M FY16: from S$0.213 to S$0.218).
e) a decrease of S$0.2 million in interest and other 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 decreased by approximately S$6.8 million to S$34.2 million in 9M FY17, compared with S$41.0 million in 9M FY16. This was mainly due to:
a) a S$6.1 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$0.2 million decrease in depreciation of property, plant and equipment of the Group's subsidiaries;
c) a S$1.8 million increase in employee benefit expenses, mainly due to reclassification of staff-related costs from cost of sales by ESA;
d) a S$2.3 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 9M FY16 and a S$1.1 million decrease in other operating expenses of ESA and China subsidiaries.

A share of loss of S$35,000 from a previous associate company, Industrial Engineering Systems Pte Ltd, was recorded in 9M FY16 and none in 9M FY17, due to its disposal in the previous year.

The decrease in Income Tax of S$0.2 million to S$0.9 million in 9M FY17, as compared to S$1.1 million in 9M FY16, is mainly due to a decrease in tax provisions by the Group's subsidiaries.

Consolidated Statement of Financial Position and Cash Flows:

Description	**Amount in S$ million**
1) An Increase/(Decrease) in Non-Current Assets	
1a. Intangible Assets	3.0
1b. Property, Plant and Equipment	4.6
1c. Other Receivable	0.8
Increase in Non-Current Assets	**8.4**
2) An Increase/(Decrease) in Current Assets and (Increase)/Decrease in Current Liabilities	
2a. Trade and Other Receivables and Inventories	2.2
2b. Cash and Bank Balances	(4.0)
2c. Trade and Other Payables and Income Tax Payable	(0.7)
2d. Borrowings	(0.3)
Decrease in Net Current Assets	**(2.8)**
3) An (Increase)/Decrease in Non-Current Liabilities	
3a. Long-Term Borrowings and Finance Lease Liabilities	0.7
3b. Deferred Tax Liabilities	(0.7)
Decrease in Non-Current Liabilities	**0.0**

The Non-Current Assets of the Group were S$123.0 million as at 31 January 2017, as compared to S$114.6 million as at 30 April 2016. The increase of S$8.4 million was primarily due to:
1a. an increase in Intangible Assets of S$3.0 million, mainly due to S$0.3 million land rights acquired by a China subsidiary, S$3.7 million foreign exchange gain of Goodwill, Distribution and Licensing Rights in foreign currency denominated subsidiaries, partly offset by S$1.0 million amortisation of Distribution and Licensing Rights in the current period;
1b. an increase in Property, Plant and Equipment of S$4.6 million, mainly due to S$0.3 million disposal of fixed assets, offset by additions of S$6.3 million construction of gas receiving station and pipeline installations for connections to industrial and housing estates by the Group's China subsidiaries, a S$1.9 million depreciation in the current period, and a S$0.5 million translation gain of Property, Plant and Equipment in the Group's foreign currency denominated subsidiaries;
1c. an increase of Other Receivables of S$0.8 million, mainly due to increase of S$0.9 million construction prepayments by China subsidiaries offset by translation loss of S$0.1 million of Other Receivables in the Group's foreign currency denominated subsidiaries.

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 Net Current Assets of the Group decreased by S$2.8 million to a Net Current Liability of S$1.2 million as at 31 January 2017, as compared with Net Current Assets of S$1.6 million as at 30 April 2016. This was attributable to: 2a. an increase in Trade and Other Receivables and Inventories of S$2.2 million, primarily due to S$1.1 million increased inventories, mainly from translation gain of Capri's land inventory, and a net increase of S$1.1 million in Trade and Other Debtors of the Group's subsidiaries, which includes S$14.2 million settlement by these Debtors mainly from ESA; 2b. a decrease of S$4.0 million in Cash and Bank Balances, mainly due to S$0.3 million acquisition of land rights by a China subsidiary, S$1.4 million payment of taxes and interest, S$0.3 million receipts from disposal of fixed assets, offset by S$6.3 million payments for gas station construction and pipelines mainly by the Group's China subsidiaries, S$14.2 million receipts from Trade and Other Debtors of the Group's subsidiaries offset by S$10.1 million payments in Trade and Other Payables of the Group's subsidiaries, proceeds of S$0.5 million from issuance of placement 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$4.4 million proceeds from bank borrowings and overdrafts, offset by S$4.9 million bank loan repayments mainly from China subsidiaries; 2c. an increase in Trade, Other Payables and Income Tax Payable of S$0.7 million, mainly due to S$1.1 million Tax Payments, offset by S$0.9 million increase in tax provision, and a net increase of S$0.9 million in Trade and Other Creditors of the Group's subsidiaries, which includes S$10.1 million payments of these creditors mainly from ESA; 2d. an increase in Short-Term Borrowings of S$0.3 million, mainly due to S$4.4 million proceeds from bank borrowings including bank overdrafts, offset by S$4.1 million bank loan repayments by the Group's subsidiaries in China. The Non-Current Liabilities of the Group are S$23.2 million as at 31 January 2017, virtually unchanged in the aggregate from 30 April 2016. This is primarily attributable to: 3a. a decrease of S$0.7 million in long-term borrowings and finance lease liabilities, mainly due to S$0.8 million of bank loan repayments by the Group's China subsidiaries offset by S$0.1 million translation loss of these borrowings; 3b. a S$0.7 million translation loss 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 third quarter and nine months ended 31 January 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 2016.
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 the 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 burn-in systems, vision inspection systems and test systems. Worldwide market conditions are 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 market uncertainty. Nonetheless, ESA is anticipating more orders for burn-in equipment in the coming year, as lower capital spending by many customers in recent years has caused a need for additional capital spending in the near future to maintain capacity. 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, 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. A decline in new residential property development in our operating territory has led to lower connection revenue. However, assuming stable or slightly improving economic conditions, the completion of our new main pipeline from the Dou Shan gateway to Xiaochang city should create opportunities for more connection revenue along with more sales to new industrial customers, while also reducing transportation costs.

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.**
	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, for which various financing approaches are being evaluated.
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 third quarter and nine months ended 31 January 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 & CHIEF FINANCIAL OFFICER** **14/03/2017**