

IPCO INTERNATIONAL LIMITED
FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 OCTOBER 2015
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 31/10/15 S\$'000	3 Months to 31/10/14 S\$'000	% Increase/ (decrease)	6 Months to 31/10/15 S\$'000	6 Months to 31/10/14 S\$'000	% Increase/ (decrease)
Revenue						
Sale of goods	7,322	2,850	nm	14,322	6,812	nm
Sale of land lots	-	477	nm	-	709	nm
Natural gas installation, connection, delivery and usage	8,315	5,521	50.6	14,795	10,868	36.1
	15,637	8,848	76.7	29,117	18,389	58.3
Other items of revenue/(expense)						
Financial assets, at fair value through profit or loss						
- fair value loss	(287)	(1,515)	(81.1)	(699)	(801)	(12.7)
- net gain on disposal	-	-	-	-	118	nm
Other income	5,050	2,683	88.2	6,652	2,734	nm
	4,763	1,168	nm	5,953	2,051	nm
Total revenue	20,400	10,016	nm	35,070	20,440	71.6
Operating expenses						
Changes in inventories of finished goods, work-in-process and land held for sale	(678)	(239)	nm	(93)	(1,590)	(94.2)
Raw materials and consumables used	(9,082)	(6,013)	51.0	(18,710)	(10,583)	76.8
Amortisation of intangible assets	(344)	(305)	12.8	(680)	(609)	11.7
Depreciation of property, plant and equipment	(644)	(545)	18.2	(1,512)	(1,072)	41.0
Allowance for doubtful receivables, net	(2)	5	nm	(2)	-	nm
Employee benefits expenses	(1,753)	(1,461)	20.0	(3,166)	(2,799)	13.1
Finance costs	(75)	(179)	(58.1)	(172)	(385)	(55.3)
Operating lease expenses	(127)	(126)	0.8	(253)	(253)	-
Other operating expenses	(2,232)	(1,083)	nm	(2,732)	(1,947)	40.3
Total operating expenses	(14,937)	(9,946)	50.2	(27,320)	(19,238)	42.0
Profit from operations	5,463	70	nm	7,750	1,202	nm
Share of results of associated companies, net of tax	(12)	(299)	(96.0)	20	(34)	nm
Profit/(Loss) before income tax	5,451	(229)	nm	7,770	1,168	nm
Income tax expense	(303)	(134)	nm	(612)	(329)	86.0
Profit/(Loss) for the financial period	5,148	(363)	nm	7,158	839	nm
Other comprehensive income :						
Available-for-sale-financial assets						
- fair value loss	(572)	(9,117)	(93.7)	(1,796)	(4,581)	(60.8)
Exchange differences on translating foreign operations	(935)	(349)	nm	(761)	(121)	nm
Other comprehensive income for the financial period	(1,507)	(9,466)	(84.1)	(2,557)	(4,702)	(45.6)
Total comprehensive income for the financial period	3,641	(9,829)	nm	4,601	(3,863)	nm

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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.							
	Group			Group			
	3 Months to 31/10/15 S\$'000	3 Months to 31/10/14 S\$'000	% Increase/ (decrease)	6 Months to 31/10/15 S\$'000	6 Months to 31/10/14 S\$'000	% Increase/ (decrease)	
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME							
Profit/(Loss) attributable to :							
Owners of the parent	3,977	(392)	nm	5,378	961	nm	
Non-controlling interests	1,171	29	nm	1,780	(122)	nm	
	5,148	(363)	nm	7,158	839	nm	
Total comprehensive income attributable to :							
Owners of the parent	3,070	(8,931)	nm	3,537	(2,876)	nm	
Non-controlling interests	571	(898)	nm	1,064	(987)	nm	
	3,641	(9,829)	nm	4,601	(3,863)	nm	
nm-not meaningful							
1(a)(ii) ADDITIONAL INFORMATION ON THE INCOME STATEMENT							
	Group			Group			
	3 Months to 31/10/15 S\$'000	3 Months to 31/10/14 S\$'000	% Increase/ (decrease)	6 Months to 31/10/15 S\$'000	6 Months to 31/10/14 S\$'000	% Increase/ (decrease)	
Other Income							
Administrative service fee, rental and corporate guarantee fee from an associated company	3	7	(57.1)	7	23	(69.6)	
Allowance reversed for doubtful receivables	(13)	17	nm	-	17	nm	
Foreign exchange gain, net	4,949	2,568	92.7	6,463	2,305	nm	
Gain on disposal of property, plant and equipment	-	-	-	2	-	nm	
Interest income	23	85	(72.9)	85	371	(77.1)	
Sundry income	88	6	nm	95	18	nm	
	5,050	2,683	88.2	6,652	2,734	nm	
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.			
	Group As at 31/10/15 S\$'000	Group As at 30/04/15 S\$'000	Company As at 31/10/15 S\$'000	Company As at 30/04/15 S\$'000
STATEMENT OF FINANCIAL POSITION				
Non-current assets				
Intangible assets	52,903	49,850	-	-
Property, plant and equipment	61,182	55,280	230	275
Subsidiaries	-	-	72,761	72,761
Associated companies	502	483	531	531
Deferred tax assets	1,003	959	-	-
Inventories	4,991	4,641	-	-
	120,581	111,213	73,522	73,567
Current assets				
Available-for-sale financial assets	2,795	4,603	1,625	3,514
Inventories	9,114	7,858	-	-
Trade and other receivables	17,661	19,003	62,289	59,016
Financial assets, at fair value through profit or loss	651	1,350	38	82
Cash and cash equivalents ** Refer to breakdown below	7,577	12,024	111	403
	37,798	44,838	64,063	63,015
Current liabilities				
Trade and other payables	35,232	36,991	8,408	8,497
Provisions	316	267	307	267
Finance lease liabilities	40	43	40	43
Current income tax payable	748	704	104	-
Borrowings	8,100	6,650	-	-
	44,436	44,655	8,859	8,807
Net current (liabilities)/assets	(6,638)	183	55,204	54,208
Non-current liabilities				
Finance lease liabilities	(75)	(93)	(75)	(93)
Borrowings	(12,802)	(15,593)	-	-
Deferred tax liabilities	(9,911)	(9,156)	-	-
	(22,788)	(24,842)	(75)	(93)
NET ASSETS	91,155	86,554	128,651	127,682
Equity				
Share capital	263,687	263,687	263,687	263,687
Other reserves	(36,777)	(25,593)	73	1,961
Accumulated losses	(137,274)	(142,652)	(135,109)	(137,966)
Equity attributable to owners of the parent	89,636	95,442	128,651	127,682
Non-controlling interests	1,519	(8,888)	-	-
TOTAL EQUITY	91,155	86,554	128,651	127,682
** Breakdown as follows:				
Cash and cash equivalents	7,577	12,024		
Less : Cash pledged for bank facilities	(2,600)	(2,600)		
As per consolidated statement of cash flows	4,977	9,424		

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1(b)(ii)	In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year: (A) the amount repayable in one year or less, or on demand; (B) the amount repayable after one year; (C) whether the amounts are secured or unsecured; and (D) details of any collaterals.				
		As at 31/10/15 Secured S\$'000	As at 31/10/15 Unsecured S\$'000	As at 30/04/15 Secured S\$'000	As at 30/04/15 Unsecured S\$'000
	Group Borrowings and Debt Securities				
	Amount repayable in one year or less, or on demand	6,869	1,231	5,241	1,409
	Amount repayable after one year	12,802	-	15,593	-
	Details of any collaterals				
a	Short Term Borrowings				
(i)	The current year's secured short term borrowings of S\$6.87 million and previous year's borrowings of S\$5.24 million comprise : (a) short term bank borrowings of S\$4.77 million in current year as compared to S\$2.42 million in previous year, are secured by property, plant and equipment. (b) the remaining bank borrowings of S\$2.10 million in current year and S\$2.82 million in previous year, are secured by cash pledged for bank facilities. Interest is charged at 6.55% to 7.2% per annum.				
(ii)	The unsecured short term borrowings of S\$1.23 million in current year and S\$1.41 million in previous year were loans from business associates and are unsecured and repayable on demand. Interest is charged at 9.5% per annum.				
b	Long Term Borrowings				
	The secured long term portion of bank borrowings is S\$12.8 million in current year and S\$15.6 million in previous year respectively, are secured by property, plant and equipment.				

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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.			
	3 Months to 31/10/15 S\$'000	3 Months to 31/10/14 S\$'000	6 Months to 31/10/15 S\$'000	6 Months to 31/10/14 S\$'000
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 OCTOBER 2015				
Operating activities				
Profit/(Loss) before income tax	5,451	(229)	7,770	1,168
Adjustments for:				
Allowance made/(written back) for doubtful receivables, net	15	(22)	2	(17)
Amortisation of intangible assets	344	305	680	609
Depreciation of property, plant and equipment	644	545	1,512	1,072
Gain on disposal of property, plant and equipment	-	-	(2)	-
Interest expenses	50	118	121	324
Interest income	(23)	(85)	(85)	(371)
Loss on disposal of a subsidiary	1,182	-	1,182	-
Provisions made during the financial period	24	47	49	67
Share of results of associated company	12	299	(20)	34
Fair value gain on financial assets, at fair value through profit or loss	287	1,515	699	801
Operating profit before changes in working capital	7,986	2,493	11,908	3,687
Working capital changes				
Inventories	(1,299)	(932)	(3,172)	(211)
Trade and other receivables	(5,217)	(833)	(620)	(908)
Trade and other payables	(1,970)	(73)	(5,669)	(660)
Provisions	-	-	-	(27)
Cash (used in)/from operations	(500)	655	2,447	1,881
Net disposal and acquisition of financial assets held-for-trading	-	119	-	411
Interest received	23	85	85	371
Interest paid	(50)	(118)	(121)	(324)
Net income tax paid	(353)	(437)	(568)	(1,045)
Net cash (used in)/from operating activities	(880)	304	1,843	1,294
Investing activities				
Addition of intangible assets	-	(32)	(16)	(137)
Purchase of property, plant and equipment	(3,023)	(1,883)	(4,763)	(3,578)
Proceeds from disposals of property, plant and equipment	(22)	53	2	53
Net cash used in investing activities	(3,045)	(1,862)	(4,777)	(3,662)
Financing activities				
Proceeds from borrowings	4,471	439	4,471	439
Repayments of borrowings	(3,962)	159	(6,533)	(2,170)
Repayments of finance leases	(11)	(10)	(21)	(20)
Net cash from/(used in) financing activities	498	588	(2,083)	(1,751)
Net change in cash and cash equivalents	(3,427)	(970)	(5,017)	(4,119)
Effect of foreign exchange rate changes in cash and cash equivalents	402	253	570	198
Cash and cash equivalents at beginning of financial period	8,002	7,209	9,424	10,413
Cash and cash equivalents at end of financial period	4,977	6,492	4,977	6,492

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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.		
	The Company did not issue any shares which remain at 5,100,799,986 ordinary issued shares as at 31 October 2015 and 31 October 2014.		
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 31/10/15	Group As at 30/04/15
	Number of ordinary shares issued and fully paid	5,100,799,986	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 2015.		
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 2015. 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 31/10/15 and (Based on 5,100,799,986 basic and diluted weighted average number of ordinary shares in issue at 31/10/15)	0.11	0.11
6(b)	immediately preceding financial period 31/10/14 (Based on 5,100,799,986 basic and diluted weighted average number of ordinary shares in issue at 31/10/14)	0.02	0.02

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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 31/10/15 and (Based on 5,100,799,986 issued shares at 31/10/15)	0.02	0.03
7(b)	immediately preceding financial year at 30/04/15 (Based on 5100,799,986 issued shares at 30/04/15)	0.02	0.03
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.		
	<p><u>Income Statement Items:</u></p> <p><u>2Q FY16 vs 2Q FY15</u></p> <p>In the second quarter ended 31 October 2015 ("2Q FY16"), the Group achieved a Turnover of S\$15.6 million, which was 76.7% higher than the Turnover of S\$8.8 million recorded for the corresponding quarter ended 31 October 2014 ("2Q FY15"). The Group's Turnover was mainly attributable to the following subsidiaries:</p> <ul style="list-style-type: none"> • ESA Electronics Pte Ltd ("ESA"), which operates in the semi-conductor industry, recorded a 156.9% increase in Turnover of S\$4.5 million, from S\$2.8 million recorded in 2Q FY15 to S\$7.3 million in 2Q FY16. The increase was mainly due to higher demand of burn-in boards by semi-conductor manufacturers in the current quarter. • Asia Plan Limited ("Asia Plan"), via its wholly-owned subsidiary Capri Investment L.L.C. ("Capri"), did not make any contribution in 2Q FY16 as compared with a turnover of S\$0.5 million in 2Q FY15. There was no finalised sales agreement with home builders in the current quarter. Capri is involved in real estate development in the State of Washington, USA. • Excellent Empire 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 approximately S\$8.3 million in the 2Q FY16, as compared with S\$5.5 million in 2Q FY15. The 50.6% increase of S\$2.8 million was due to increasing gas consumption by industrial and household customers and new connection fees. <p>The Group recorded a Profit before Income Tax of S\$5.4 million in 2Q FY16, as compared with a Loss before Income Tax of S\$0.3 million recorded in 2Q FY15, resulting in an increase of S\$5.7 million in Profit before Income Tax. This was mainly due to a foreign exchange gain of S\$4.9 million in 2Q FY16 as compared with S\$2.5 million in 2Q FY15, a decrease of S\$1.2 million fair value loss on Financial Assets through Profit or Loss ("FVTPL"), from a S\$1.5 million fair value loss recorded in 2Q FY15 to S\$0.3 million in 2Q FY16 and a S\$1.2 million loss on disposal of a subsidiary in the current quarter and none in previous quarter. The unrealised foreign exchange gains arise from the revaluation of foreign currency denominated balances and the fair value loss arising from market valuation of quoted trading securities.</p> <p>The Group recorded a Profit after Income Tax of S\$5.1 million in 2Q FY16, as compared with a Loss after Income Tax of S\$0.4 million recorded in 2Q FY15.</p> <p>Other Revenue increased by S\$3.6 million to S\$4.8 million in 2Q FY16, compared with \$1.2 million in 2Q FY15. This was mainly attributable to:</p> <ol style="list-style-type: none"> a) a decrease of S\$1.2 million fair value loss on FVTPL arising from market valuation of quoted securities; b) an increase of S\$2.4 million Foreign Exchange Gain in 2Q FY16, from S\$2.5 million in 2Q FY15 to S\$4.9 million in 2Q FY16, largely due to unrealised exchange gains arising from the revaluation of foreign currency denominated balances primarily in: <ol style="list-style-type: none"> i) United States Dollars ("US\$"), which strengthened from S\$1.345 in 1Q FY16 to S\$1.424 in 2Q FY16, as compared to S\$1.248 in 1Q FY15 to S\$1.273 in 2Q FY15; ii) Chinese Renminbi ("RMB"), which strengthened from S\$0.217 in 1Q FY16 to S\$0.224 in 2Q FY16, as compared to S\$0.201 in 1Q FY15 to S\$0.207 in 2Q FY15. 		

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8	<p>A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:</p> <p>(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and</p> <p>(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.</p>
	<p>The Group's Total Cost and Expenses increased by S\$5.0 million to S\$14.9 million in 2Q FY16, compared to S\$9.9 million in 2Q FY15. This was mainly due to:</p> <p>a) S\$3.5 million increase in 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;</p> <p>b) a S\$0.1 million increase in depreciation and amortisation of fixed assets and land rights, mainly from China subsidiaries;</p> <p>c) S\$0.3 million increase in employee benefit expenses, mainly from ESA;</p> <p>d) S\$1.1 million increase in other operating expenses, mainly attributable to S\$1.2 million loss on disposal of a subsidiary, Dimensi Cita Sdn Bhd ("DCSB") in 2Q FY16 offset by S\$0.1 million decrease in other operating expenses of the Group's subsidiaries.</p> <p>The Share of Loss of Associated Companies decreased by S\$287,000 to S\$12,000 in 2Q FY16, as compared with S\$299,000 in 2Q FY15. This was due to a decrease of S\$9,000 share of loss from the associate company Industrial Engineering Systems Pte Ltd ("IES") from S\$21,000 share of loss in 2Q FY15 to S\$12,000 share of loss in 2Q FY16, and a S\$278,000 share of loss from a previous associate company Sun Spirit Group Limited ("SSGL") was recorded in 2Q FY15, compared with none in 2Q FY16, due to its disposal in FY15.</p> <p>An increase of Income Tax of S\$0.2 million to S\$0.3 million in 2Q FY16, as compared with S\$0.1 million in 2Q FY15, is mainly due to increase in tax provisions by the Group's subsidiaries.</p> <p>1H FY16 vs 1H FY15</p> <p>During the six months ended 31 October 2015 ("1H FY16"), the Group achieved a Turnover of S\$29.1 million, which was S\$10.7 million or 58.3% higher than the Turnover of S\$18.4 million recorded for the corresponding six months ended 31 October 2014 ("1H FY15"). The Group's Turnover was mainly attributable to the following subsidiaries:</p> <ul style="list-style-type: none"> • ESA recorded a 110.2% increase in Turnover of S\$7.5 million to S\$14.3 million in 1H FY16, as compared to a Turnover of S\$6.8 million recorded in 1H FY15. The increase was mainly due to higher demand of burn-in boards by semi-conductor manufacturers in the current period. • Asia Plan Limited ("Asia Plan"), via its wholly-owned subsidiary Capri Investment L.L.C. ("Capri"), did not make any contribution in 1H FY16 as compared with a turnover of S\$0.7 million in 1H FY15. There was no finalised sales agreement with home builders in the current period. • Excellent Empire Ltd ("Excellent Empire"), via its wholly-owned subsidiary China Environmental Energy Protection Investment Ltd ("China Environmental"), which in turn through its China subsidiaries, supplies natural gas to households, commercial and industrial users in Anlu, Dawu, XiaoChang and Guangshui cities in Hubei, PRC, achieved a Turnover of S\$14.8 million in 1H FY16, as compared with S\$10.9 million in 1H FY15. The 36.1% increase in Turnover of \$3.9 million was due to increasing gas consumption by industrial and household customers and new connection fees. <p>The Group recorded a Profit before Income Tax of \$7.8 million in 1H FY16, as compared to S\$1.2 million recorded in 1H FY15, resulting in an increase of S\$6.6 million in Profit before Income Tax. This was mainly due to a foreign exchange gain of S\$6.5 million in 1H FY16 as compared with S\$2.3 million in 1H FY15. The unrealised foreign exchange gains arise from the revaluation of foreign currency denominated balances.</p> <p>The Group recorded a Profit after Income Tax of S\$7.2 million in 1H FY16, as compared with a S\$0.8 million recorded in 1H FY15.</p> <p>Correspondingly, in 1H FY16 the Group had a Net Profit Attributable to Shareholders of S\$5.4 million and Earnings per Share of 0.11 Singapore cents (1H FY15: Net Profit Attributable to Shareholders S\$1.0 million and Earnings per Share of 0.02 Singapore cents).</p>

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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.

Other Revenue increased by S\$3.9 million in 1H FY16, to S\$6.0 million, as compared to S\$2.1 million in 1H FY15. This was mainly due to:

- a) a decrease of S\$0.1 million fair value loss on FVTPL, offset by S\$0.3 million decrease in interest income;
- b) a S\$0.1 million net gain on disposal of FVTPL in 1H FY15 and none in 1H FY16;
- c) an increase of S\$4.2 million Foreign Exchange Gain in 1H FY16, from S\$2.3 million in 1HFY15 to a gain of S\$6.5 million in 1H FY16, largely due to unrealised exchange gains arising from the revaluation of foreign currency denominated balances primarily in:
 - i) United States Dollars ("US\$"), at exchange rates of US\$1 to S\$1.424 (1HFY15: US\$1 to S\$1.273);
 - ii) Chinese Renminbi ("RMB"), at exchange rates of RMB1.00 to S\$0.224 (1HFY15: RMB1.00 to S\$0.207).

The Group's Total Cost and Expenses increased by approximately S\$8.1 million to S\$27.3 million in 1H FY16, compared to S\$19.2 million in 1H FY15. This was mainly due to:

- a) S\$6.6 million increase in 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;
- b) S\$0.4 million increase in employee benefit expenses, mainly from ESA, and a decrease of S\$0.2 million in finance costs due to bank loan repayments by the Group's China subsidiaries in 1H FY16;
- c) a S\$0.5 million increase in depreciation and amortisation of fixed assets and land rights, mainly from China subsidiaries;
- d) a S\$0.8 million increase in other operating expenses, mainly attributable to S\$1.2 million loss on disposal of DCSEB in 1H FY16, offset by S\$0.4 million decrease in other operating expenses of the Group's subsidiaries.

The Share of Profit of Associated Companies increased by S\$54,000 from a Share of Loss of S\$34,000 in 1H FY15 to a S\$20,000 Share of Profit in 1H FY16, mainly due to share of profit from IES.

The increase in Income Tax of S\$0.3 million to S\$0.6 million in 1H FY16, as compared to S\$0.3 million 1H FY15, is mainly due to increase 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	3.1
1b. Property, Plant and Equipment	5.9
1c. Inventories	0.4
Increase in Non-Current Assets	9.4
2) An Increase / (Decrease) in Current Assets and (Increase) / Decrease in Current Liabilities	
2a. Available-For-Sale Financial Assets	(1.8)
2b. Trade and Other Receivables and Inventories	(0.1)
2c. Financial Assets, at Fair Value through Profit or Loss	(0.7)
2d. Cash and Bank Balances	(4.4)
2e. Trade and Other Payables and Income Tax Payable	1.7
2f. Borrowings	(1.5)
Increase in Net Current Liabilities	(6.8)
3) An (Increase)/Decrease in Non-Current Liabilities	
3a. Long-Term Borrowings and Finance Lease Liabilities	2.8
3b. Deferred Tax Liabilities	(0.8)
Decrease in Non-Current Liabilities	2.0

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These figures have not been audited

8	<p>A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:</p> <p>(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and</p> <p>(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.</p>
	<p>The Non-Current Assets of the Group were S\$120.6 million as at 31 October 2015, as compared to S\$111.2 million as at 30 April 2015. The increase of S\$9.4 million was primarily due to:</p> <p>1a. an increase in Intangible Assets of S\$3.1 million, mainly due to S\$3.8 million foreign exchange translation gain of Goodwill, Distribution and Licensing Rights in foreign currency denominated subsidiaries, offset by S\$0.7 million amortisation of Distribution and Licensing Rights in current period;</p> <p>1b. an increase in Property, Plant and Equipment of S\$5.9 million, mainly due to S\$4.8 million additional equipment purchased for connecting pipelines to industrial and housing estates by the Group's China subsidiaries, which was offset by S\$1.5 million depreciation in the current period and a S\$2.6 million translation gain of Property, Plant and Equipment in the Group's foreign currency denominated subsidiaries;</p> <p>1c. an increase of Inventories of S\$0.4 million, due to a Translation Gain in the inventories held by Capri.</p> <p>The Net Current Assets of the Group decreased by S\$6.8 million to Net Current Liabilities of S\$6.6 million as at 31 October 2015, as compared with Net Current Assets of S\$0.2 million as at 30 April 2015. This was attributable to:</p> <p>2a. a decrease in Available-for-Sale Financial Assets of S\$1.8 million, due to fair value loss arising from net asset valuation of short-term money market instruments and marked-to-market valuation of quoted securities;</p> <p>2b. a decrease in Trade and Other Receivables and Inventories of S\$0.1 million, primarily due to S\$1.3 million increased inventories, mainly from ESA and Capri, and an increase of S\$13.6 million in Trade and Other Debtors of the Group's subsidiaries, which is offset by S\$15.0 million settlement by these Debtors;</p> <p>2c. a decrease in Financial Assets, at Fair Value Through Profit or Loss of S\$0.7 million, mainly due to fair value loss arising from marked-to-market valuation of quoted securities;</p> <p>2d. a decrease of S\$4.4 million in Cash and Bank Balances, mainly due to S\$0.7 million payment of taxes and interest, S\$4.8 million purchase of plant and equipment mainly by the Group's China subsidiaries, S\$15.0 million receipts from Trade and other Debtors of the Group's subsidiaries, offset by S\$11.9 million payments to Trade and Other Creditors of the Group's subsidiaries, and S\$4.5 million proceeds from bank borrowings offset by S\$6.5 million bank loan repayments mainly from China subsidiaries;</p> <p>2e. a decrease in Trade, Other Payables and Income Tax Payable of S\$1.7 million, mainly due to S\$0.6 million Tax Payments offset by S\$0.6 million increase in tax provision, a S\$10.2 million increase in Trade and Other Creditors of the Group's subsidiaries, offset by S\$11.9 million payments of these creditors;</p> <p>2f. an increase in Short-Term Borrowings of S\$1.5 million, mainly due to S\$4.5 million proceeds from bank borrowings, offset by S\$3.0 million bank loan repayments by the Group's subsidiaries in China.</p> <p>The Non-Current Liabilities of the Group have decreased to S\$22.8 million as at 31 October 2015, compared to S\$24.8 million as at 30 April 2015. This is primarily attributable to:</p> <p>3a. a decrease of S\$2.8 million in long-term borrowings and finance lease liabilities, mainly due to S\$3.5 million bank loan repayments by the Group's China subsidiaries offset by S\$0.7 million translation loss of these borrowings;</p> <p>3b. a S\$0.8 million translation loss in Deferred Tax Liabilities of the Group's China subsidiaries.</p>
9	<p>Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.</p>
	<p>The current results for the second quarter and half year ended 31 October 2015 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 2015.</p>
10	<p>A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.</p>
	<p>The Group's primary subsidiaries have shown significant improvements in their operating performance, as well as their prospects for business development.</p> <p>The Group holds an 81.25% equity interest in ESA Electronics Pte Ltd ("ESA"). ESA is a Singapore-incorporated company engaged in the business of assembling, trading and providing consultancy services in the semiconductors 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. While the demand for burn-in boards by semi-conductor manufacturers of personal computer components and electronic devices has continued to strengthen partly due to seasonal factors, revenues have also rebounded due to increased demand from Taiwan, Malta and the Southeast Asia region. ESA is in the final development phase of Automated Optical Inspection equipment, which is expected to contribute to further revenue increases during the coming year.</p>

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10	A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.
	<p>The Group's 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") as announced on 22 May 2015, holds a 78.75% 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. The revenue growth in China Environmental's four operating subsidiaries should continue over the next 12 months. Guangshui has begun to contribute significant revenue, and demand in Xiaochang has also been accelerating recently. The Group is actively seeking new energy investment opportunities in Hubei, Shandong and other provinces of the PRC.</p> <p>Asia Plan Ltd, in which the Group holds a 100% equity interest, is engaged in real estate development near Seattle in the state of Washington, USA, via its wholly-owned subsidiary Capri Investment L.L.C ("Capri"). A revival in home construction in the Seattle area is underway, and Capri has recently completed the next phase of development comprising 96 lots.</p>
11	If a decision regarding dividend has been made :
11(a)	Whether an interim (final) ordinary dividend has been declared (recommended); and
	None
11(b)(i)	Amount per share cents
	None
11(b)(ii)	Previous corresponding period cents
	None
11(c)	Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).
	Not Applicable
11(d)	The date the dividend is payable.
	Not Applicable
11(e)	The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.
	Not Applicable
12	If no dividend has been declared (recommended), a statement to that effect.
	No dividend has been declared or recommended in the current reporting period.
13	If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.
	There is no general mandate from shareholders for Interested Party Transactions ("IPTs").
14	Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)
	The Directors of the Company confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the Group for the period ended 31 October 2015, to be false or misleading in any material aspect.
	BY ORDER OF THE BOARD IPCO INTERNATIONAL LIMITED CARLSON CLARK SMITH EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER 11 DECEMBER 2015