

IPCO INTERNATIONAL LIMITED SECOND QUARTER AND HALF YEAR ENDED 31 OCTOBER 2009 These figures have not been audited							
1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding periods of the immediately preceding financial year							
	Group			Group			
	2nd Quarter to 31/10/09 S\$'000	2nd Quarter to 31/10/08 S\$'000	% Increase/ (decrease)	Half Year to 31/10/09 S\$'000	Half Year to 31/10/08 S\$'000	% Increase/ (decrease)	
INCOME STATEMENT							
Revenue							
Sale of goods	6,513	4,023	61.9	7,450	6,378	16.8	
Natural gas installation, connection, delivery and usage	1,597	1,628	(1.9)	3,173	2,864	10.8	
	8,110	5,651	43.5	10,623	9,242	14.9	
Other revenue/(losses)	2,951	(3,110)	nm	16,199	(2,857)	nm	
Total revenue	11,061	2,541	nm	26,822	6,385	nm	
Expenses							
Changes in inventories of finished goods, work-in-process and land held for sale	127	(4)	nm	186	689	(73.0)	
Raw materials and consumables used	(5,057)	(3,231)	56.5	(6,963)	(6,158)	13.1	
Amortisation of intangible assets	(459)	(466)	(1.5)	(925)	(916)	1.0	
Depreciation of property, plant and equipment	(384)	(572)	(32.9)	(787)	(858)	(8.3)	
Foreign exchange (losses)/gains, net	(1,497)	2,010	nm	(2,375)	1,474	nm	
Finance costs	(402)	(473)	(15.0)	(732)	(937)	(21.9)	
Operating lease expenses	(76)	(65)	16.9	(151)	(147)	2.7	
Staff costs	(1,308)	(1,079)	21.2	(2,198)	(2,034)	8.1	
Other operating expenses	(670)	(1,236)	(45.8)	(1,838)	(2,297)	(20.0)	
Total expenses	(9,726)	(5,116)	90.1	(15,783)	(11,184)	41.1	
Profit/(Loss) from operations	1,335	(2,575)	nm	11,039	(4,799)	nm	
Share of (losses)/profits of associated companies, net of tax	(293)	278	nm	(309)	311	nm	
Profit/(Loss) from continuing operations before taxation	1,042	(2,297)	nm	10,730	(4,488)	nm	
Income tax expense	(510)	(62)	nm	(1,897)	(107)	nm	
Profit/(Loss) from continuing operations after taxation	532	(2,359)	nm	8,833	(4,595)	nm	
Profit/(Loss) from discontinued operations (net of tax)	-	-	-	-	-	-	
Net Profit/(Loss) for the period	532	(2,359)	nm	8,833	(4,595)	nm	
Attributable to :							
Equity holders of the Company	377	(2,336)	nm	9,222	(4,282)	nm	
Minority interests	155	(23)	nm	(389)	(313)	24.3	
	532	(2,359)	nm	8,833	(4,595)	nm	
Statement of Comprehensive Income							
Profit/(Loss) for the period	532	(2,359)	nm	8,833	(4,595)	nm	
Other comprehensive income :							
Fair value gain/(loss) on available-for-sale financial assets	3,463	(1,132)	nm	3,764	96	nm	
Foreign currency translation differences	(685)	3,999	nm	(1,320)	4,906	nm	
Total comprehensive income for the period	3,310	508	nm	11,277	407	nm	
Attributable to :							
Equity holders of the Company	3,024	526	nm	11,491	640	nm	
Minority interests	286	(18)	nm	(214)	(233)	(8.2)	
	3,310	508	nm	11,277	407	nm	

IPCO INTERNATIONAL LIMITED SECOND QUARTER AND HALF YEAR ENDED 31 OCTOBER 2009 These figures have not been audited							
1(a)(ii) ADDITIONAL INFORMATION ON THE INCOME STATEMENT							
	Group			Group			
	2nd Quarter to 31/10/09 S\$'000	2nd Quarter to 31/10/08 S\$'000	% Increase/ (decrease)	Half Year to 31/10/09 S\$'000	Half Year to 31/10/08 S\$'000	% Increase/ (decrease)	
Available-for-sale financial assets							
- fair value losses transferred from fair value reserve on disposal	(3,758)	(1,326)	nm	(3,758)	(1,326)	nm	
- net gains on disposal	1,015	390	nm	1,015	390	nm	
Financial assets, at fair value through profit or loss							
- fair value gains/(losses)	4,510	(2,099)	nm	15,931	(2,998)	nm	
- net gains/(losses) on disposal	1,075	(310)	nm	1,664	479	nm	
Dividend income	-	34	nm	222	201	10.4	
Fair value gain on other receivable	42	-	nm	109	-	nm	
Gain on disposal of an associate company	-	-	-	735	-	nm	
Interest income	7	124	(94.4)	119	241	(50.6)	
Sundry Income	60	77	(22.1)	162	156	3.8	
Allowance for doubtful receivables		(165)	nm	(14)	(195)	(92.8)	
Bad debts written off	-	-	-	-	(4)	nm	
nm - not meaningful							

IPCO INTERNATIONAL LIMITED SECOND QUARTER AND HALF YEAR ENDED 31 OCTOBER 2009 These figures have not been audited					
1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year					
STATEMENT OF FINANCIAL POSITION		Group As at 31/10/09 S\$'000	Group As at 30/04/09 S\$'000	Company As at 31/10/09 S\$'000	Company As at 30/04/09 S\$'000
Non-current assets					
Intangible assets		70,586	74,310	-	-
Property, plant and equipment		36,753	38,394	178	209
Subsidiaries		-	-	80,169	80,169
Associated companies		5,024	6,883	1,223	2,729
Unincorporated joint ventures		-	-	-	-
Available-for-sale financial assets		644	1,363	644	1,363
Deferred tax assets		150	150	-	-
Other receivable		3,667	3,713	3,667	3,713
		116,824	124,813	85,881	88,183
Current assets					
Land held for sale		18,154	18,924	-	-
Inventories, at cost		2,102	1,498	-	-
Trade and other receivables		25,191	20,716	65,468	61,175
Financial assets, at fair value through profit or loss		33,246	13,804	1,926	5
Fixed deposit		3	3	3	3
Cash and cash equivalents		10,208	9,658	3,938	461
		88,904	64,603	71,335	61,644
Current liabilities					
Trade and other payables		28,786	29,258	11,971	12,068
Provisions		180	250	111	194
Finance lease liabilities		37	35	37	35
Current income tax payable		3,318	1,696	-	-
Borrowings		4,643	6,725	-	1,740
		36,964	37,964	12,119	14,037
Net current assets		51,940	26,639	59,216	47,607
Non-current liabilities					
Finance lease liabilities		(129)	(148)	(129)	(148)
Borrowings		(15,176)	(16,578)	-	-
Deferred gain		(18)	(20)	-	-
Deferred tax liabilities		(11,603)	(12,095)	-	-
		(26,926)	(28,841)	(129)	(148)
NET ASSETS		141,838	122,611	144,968	135,642
Capital and reserves					
Share capital		197,379	189,429	197,379	189,429
Fair value reserve		(144)	(3,908)	(144)	(3,909)
Asset revaluation reserve		309	309	-	-
Foreign exchange translation reserve		(16,772)	(15,525)	-	-
Capital reduction reserve		1,961	1,961	1,961	1,961
Accumulated losses		(43,428)	(52,402)	(54,228)	(51,839)
Total attributable to equity holders of the Company		139,305	119,864	144,968	135,642
Minority interests		2,533	2,747	-	-
TOTAL EQUITY		141,838	122,611	144,968	135,642

IPCO INTERNATIONAL LIMITED
SECOND QUARTER AND HALF YEAR ENDED 31 OCTOBER 2009
 These figures have not been audited

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-
 (A) the amount repayable in one year or less, or on demand;
 (B) the amount repayable after one year;
 (C) whether the amounts are secured or unsecured; and
 (D) details of any collaterals.

	As at 31/10/09 Secured S\$'000	As at 31/10/09 Unsecured S\$'000	As at 30/04/09 Secured S\$'000	As at 30/04/09 Unsecured S\$'000
Group Borrowings and Debt Securities				
Amount repayable in one year or less, or on demand	3,275	1,368	5,337	1,388
Amount repayable after one year	15,176	-	16,578	-
Details of any collaterals				
a Short Term Borrowings				
(i) The current year's secured short term borrowings of S\$3.28 million and previous year's borrowings of S\$5.34 million comprise: (a) share margin financing facility secured by pledge of certain financial assets at fair value through profit or loss of S\$0.8 million and S\$0.78 million in current and previous year respectively. (b) bank borrowings of S\$2.48 million and S\$2.82 million in current and previous year, secured by certain subsidiaries' property, plant and equipment, exclusive revenue collection rights and the equity interest in those subsidiaries. The long term portion of these bank borrowings is disclosed separately in amounts payable after one year. (c) S\$1.74 million loan secured by pledge of certain available-for-sale financial assets in the previous year. This was settled in the current year.				
(ii) The current year's unsecured short term borrowings of S\$1.37million loans as compared with S\$1.39 million in previous year were loans from business associates and are unsecured and repayable on demand. Interest was charged at 9.5% per annum.				
b Long Term Borrowings				
As in a(i)(b), the secured long term portion of bank borrowings is S\$15.18 million and S\$16.58 million in current and previous year respectively.				

IPCO INTERNATIONAL LIMITED SECOND QUARTER AND HALF YEAR ENDED 31 OCTOBER 2009 These figures have not been audited					
1(c)	A statement of cashflows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year				
	CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE SECOND QUARTER AND HALF YEAR ENDED 31 OCTOBER 2009	2nd Quarter to 31/10/09 S\$'000	2nd Quarter to 31/10/08 S\$'000	Half Year to 31/10/09 S\$'000	Half Year to 31/10/08 S\$'000
	Cash flows from operating activities				
	Profit/(Loss) before income tax	1,042	(2,297)	10,730	(4,488)
	Adjustments for:				
	Allowance for doubtful trade receivables	(115)	-	14	-
	Allowance for doubtful non-trade receivables	-	165	-	191
	Amortisation of intangible assets	459	466	925	916
	Depreciation of property, plant and equipment	384	572	787	858
	Dividend income	-	(34)	(222)	(201)
	Fair value losses transferred from fair value reserve on disposal	-	1,326	-	936
	Fair value gain on other receivable	(42)	-	(109)	-
	Foreign exchange losses, net	2,326	(1,985)	3,208	(514)
	Interest expenses	402	473	732	937
	Interest income	(7)	(124)	(119)	(241)
	Gain on disposal of an associate company	-	-	(735)	-
	Net (gain)/loss on disposal of available-for-sale financial assets	2,743	(390)	2,743	-
	Provisions made during the financial year	33	20	67	40
	Share of results of associated companies	293	(278)	309	(311)
	Operating profit/(loss) before changes in working capital	7,518	(2,086)	18,330	(1,877)
	Working capital changes				
	Inventories	297	(853)	166	(1,407)
	Trade and other receivables	(2,589)	354	(4,488)	270
	Financial assets, at fair value through profit or loss	(5,638)	2,948	(19,442)	(414)
	Trade and other payables	(388)	348	(472)	6,977
	Provisions	(77)	(114)	(138)	(114)
	Cash (used in)/from operations	(877)	597	(6,044)	3,435
	Interest received	7	124	119	241
	Finance costs	(391)	(462)	(711)	(916)
	Net income tax paid	(9)	(232)	(219)	(556)
	Net cash flows (used in)/from operating activities	(1,270)	27	(6,855)	2,204
	Cash flows from investing activities				
	Dividend received	-	34	222	201
	Decrease in intangible assets	(210)	(319)	(210)	(10)
	Decrease in other receivables	(92)	-	(25)	-
	Purchase of property, plant and equipment	(393)	(3,304)	(915)	(8,215)
	Purchase of available-for-sale financial assets	-	-	-	(1,656)
	Proceeds from disposal of an associate company	-	-	2,240	-
	Proceeds from disposals of available-for-sale financial assets	713	1,019	713	1,019
	Proceeds from disposals of property, plant and equipment	-	223	-	223
	Net cash flows from/(used in) investing activities	18	(2,347)	2,025	(8,438)
	Cash flows from financing activities				
	Net proceeds from issue of shares	3,000	-	7,950	-
	Proceeds from borrowings	(33)	384	17	3,731
	Repayments of borrowings	(1,721)	528	(2,566)	(272)
	Repayments of finance leases	(11)	(10)	(21)	(21)
	Net cash flows from financing activities	1,235	902	5,380	3,438
	Net change in cash and bank balances	(17)	(1,418)	550	(2,796)
	Cash and bank balances at beginning of financial year	10,225	11,208	9,658	12,586
	Cash and bank balances at end of financial year	10,208	9,790	10,208	9,790

IPCO INTERNATIONAL LIMITED SECOND QUARTER AND HALF YEAR ENDED 31 OCTOBER 2009 These figures have not been audited			
1(d)(i)	A statement (for the issuer and group), showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year		
	See separate worksheet on Pg 13		
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 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.		
	In the current financial period, the Company issued up to S\$8,000,000 1% unsecured equity linked redeemable structured convertible notes (" 1% UELRSCN") due in 2013. As at 31 October 2009, an aggregate principal value of S\$7,950,000 have been converted into 376,068,374 shares at the floating conversion price of S\$0.0234 for 126,068,374 conversion shares and S\$0.02 for 250,000,000 conversion shares. Pursuant to the conversion, the existing issued share capital of the Company had increased from 1,322,531,612 ordinary shares to 1,698,599,986 ordinary shares. The outstanding principal value of S\$50,000 exercisable at S\$0.02 per share for 2,500,000 conversion shares is unconverted as at 31 October 2009. In the previous financial period, the Company did not issue any shares which remain at 1,322,531,612 ordinary issued shares.		
1(d)(iii)	To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.		
		Group As at 31/10/09	Group As at 30/04/09
	Number of ordinary shares issued and fully paid	1,698,599,986	1,322,531,612
	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, disposal, 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 period as compared to the audited financial statements as at 30 April 2009.		
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 January 2009. The new or amended FRS applicable to the Group and Company, "FRS1(Revised) - Presentation of Financial Statements" has been adopted accordingly. The adoption of this 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 31/10/09 and (Based on 1,519,554,209 (basic) and 1,522,054,209 (diluted) weighted average number of ordinary shares in issue at 31/10/09)	0.61	0.61
6(b)	immediately preceding financial period 31/10/08 (Based on 1,322,531,612 (basic/diluted) weighted average number of ordinary shares in issue at 31/10/08)	(0.32)	(0.32)

IPCO INTERNATIONAL LIMITED SECOND QUARTER AND HALF YEAR ENDED 31 OCTOBER 2009 These figures have not been audited			
7	Net asset value (for the issuer and group) per ordinary share based on issued share capital 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 31/10/09 and (Based on 1,698,599,986 issued shares at 31/10/09)	0.08	0.09
7(b)	immediately preceding financial year at 30/04/09 (Based on 1,322,531,612 issued shares at 30/04/09)	0.09	0.10
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 affect 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.		
	<u>Income Statement Items:</u> <u>2Q FY10 vs 2Q FY09</u> <p>In the second quarter ended 31 October 2009 ("2Q FY10"), the Group achieved a 43.5% or S\$2.5 million increase in Turnover of S\$8.1 million as compared with S\$5.6 million for the corresponding second quarter ended 31 October 2008 ("2Q FY09"). There were no Land Sales made by the Group's subsidiary Capri Investments L.L.C.; 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 61.9% increase in Turnover of S\$2.5 million, from S\$4 million recorded in 2Q FY09 to S\$6.5 million in 2Q FY10. The increase was mainly due to better demand of burn-in boards by semi-conductor manufacturers in the current quarter. • 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 and XiaoChang Cities in Hubei, PRC, achieved a consistent Turnover of S\$1.6 million in 2Q FY10 and 2Q FY09. <p>Other Revenue was a positive S\$3.0 million in 2Q FY10, compared with a loss of S\$3.1 million in 2Q FY09, an increase of S\$6.1 million. This was mainly due to fair value adjustment of S\$6.6 million on Financial Assets at Fair Value through Profit or Loss.</p> <p>The Group's Total Cost and Expenses increased by S\$4.6 million to S\$9.7 million in 2Q FY10, compared with S\$5.1 million in 2Q FY09. This was mainly due to unrealised exchange loss of S\$3.5 million arising from revaluation of mainly US\$-denominated bank balances and advances, S\$1.7 million of changes in inventories, raw materials and consumables used as consistent with the increased turnover in the 2Q FY10, and a S\$0.6 million decrease in other operating expenses mainly from a reduction of S\$0.4 million in general and administrative expenses of the Group's China subsidiaries and S\$0.2 million in allowance for doubtful receivables in ESA in 2Q FY09, with none in 2Q FY10.</p> <p>The Share of Losses of Associated Companies is S\$0.3 million in 2Q FY10 while the Share of Profits of Associated Companies was S\$0.3 million in 2Q FY09. This is mainly due to a decrease in share of profits of S\$0.6 million arising from the Company's disposal of its 24.61% equity in Industrial Engineering Systems Pte Ltd ("IES").</p> <p>The increase in Income Tax Expense of S\$0.4 million in 2Q FY10 is mainly due to additional tax provisions based on profits derived from the Group's subsidiaries.</p> <p>The Group recorded a Profit before Income Tax and Minority Interest of S\$1.0 million in 2Q FY10, as compared with a Loss before Income Tax and Minority Interest of S\$2.3 million recorded in 2Q FY09.</p> <p>The Group recorded a Profit after Income Tax of S\$0.5 million in 2Q FY10, as compared with a loss of S\$2.4 million in 2Q FY09.</p>		

	<p>IPCO INTERNATIONAL LIMITED SECOND QUARTER AND HALF YEAR ENDED 31 OCTOBER 2009 These figures have not been audited</p>
8	<p>A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affect 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>
	<p>1H FY10 vs 1H FY09</p> <p>During the six months ended 31 October 2009 ("1H FY10"), the Group achieved a Turnover of S\$10.6 million, which increased by 14.9% or S\$1.4 million when compared to Turnover of S\$9.2 million recorded for the corresponding six months ended 31 October 2008 ("1H FY09"). There were no Land Sales made by the Group's subsidiary Capri Investments L.L.C. The Group's Turnover was mainly attributable to the following subsidiaries:</p> <ul style="list-style-type: none"> • ESA recorded a 16.8% increase in Turnover of S\$1.1 million to S\$7.4 million in 1H FY10, as compared to a Turnover of S\$6.3 million recorded in 1H FY09. The increase was due to gradual rebound in the electronics market resulting in improved demand by semi-conductor manufacturers in the current period. • Excellent Empire, achieved an increased Turnover of S\$0.3 million to S\$3.2 million recorded in 1H FY10, as compared to S\$2.9 million recorded in 1H FY09, a growth rate of 10.8%, primarily due to higher demand of CNG gas by commuters. <p>The Group recorded a Profit before Income Tax and Minority Interest of S\$10.7 million in 1H FY10, as compared with a Loss before Income Tax and Minority Interest of S\$4.5 million recorded in 1H FY09, resulting in an increase in Profit before Income Tax and Minority Interest of S\$15.2 million. This was mainly due to Net Gains on Disposal and Fair Value Adjustment of Financial Assets through Profit or Loss of S\$18.9 million.</p> <p>The Group recorded a Profit after Income Tax of S\$8.8 million in 1H FY10, as compared with a loss of S\$4.6 million in 1H FY09, resulting in increased Profit after Income Tax of S\$13.4 million.</p> <p>Correspondingly, in 1H FY10 the Group had a Net Profit Attributable to Shareholders of S\$9.2 million and Earnings per Share of 0.61 Singapore cents (1H FY09: Net Loss Attributable to Shareholders S\$4.3 million and Loss per Share of 0.32 Singapore cents).</p> <p>Other Revenue was a positive S\$16.2 million in 1H FY10, compared with a loss of S\$2.9 million in 1H FY09, an increase of S\$19.1 million. This was mainly due to:</p> <ul style="list-style-type: none"> • An increase of S\$2.4 million Fair Value Losses transferred from Fair Value Reserve on disposals of Available-for-Sale Financial Assets, which is offset by an increase of S\$0.6 million net profit on disposals of these financial assets; • An increase of S\$18.9 million Fair Value Gains of Financial Assets through Profits or Losses and S\$1.2 million net gains on disposals of such assets; • A S\$0.7 million gain from disposal of an associate company in the current period and S\$0.1 million Fair Value Gain on Other Receivable. <p>The Group's Total Cost and Expenses increased by approximately S\$4.6 million to S\$15.8 million in 1H FY10, compared with S\$11.2 million in 1H FY09. This was mainly due to the following factors:</p> <ul style="list-style-type: none"> • changes in inventories and increase in raw material consumables of S\$1.3 million corresponding to marginal increase in turnover of the Group's subsidiaries; • an increase of S\$0.2 in million staff costs due to increased staff employment of the Group's active subsidiaries in China; • an increase in Foreign Exchange loss by S\$3.8 million, which was largely due to an unrealised exchange loss arising from the revaluation of mainly US\$-denominated bank balances and advances; • a decrease in Finance Cost of S\$0.2 million, due to loan repayments and lower interest rates charged by PRC banks to the Group's subsidiaries in China; • a decrease in Other Operating Expenses of S\$0.5 million, mainly from \$0.3 million drop in General and Administrative expenses of the Group's China subsidiaries and S\$0.2 million decreased allowance for doubtful receivables and bad debts in ESA. <p>The Share of Losses of Associated Companies is S\$0.3 million in 1H FY10 while the Share of Profits of Associated Companies was S\$0.3 million in 1H FY09. This was mainly due to a drop in share of profits of S\$0.3 million as a result of the Company's disposal of 24.61% equity interest in IES and an increase of S\$0.3 million share of loss resulting from economic slowdown affecting the business of C.N.A. Ventures Sdn Bhd ("CNA").</p> <p>The increase in Income Tax Expense of S\$1.8 million is mainly due to the Group's increased tax provisions based on profits derived from Group's subsidiaries.</p>

IPCO INTERNATIONAL LIMITED
SECOND QUARTER AND HALF YEAR ENDED 31 OCTOBER 2009
 These figures have not been audited

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 affect 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.

Consolidated Balance Sheet and Cash Flow:

Description	Amount in S\$ million
1) An Increase/(Decrease) in Non-Current Assets	
1a. Intangible Assets	(3.7)
1b. Property, Plant and Equipment	(1.6)
1c. Associated Companies and Other receivables	(2.0)
1d. Available For Sale Financial Assets	(0.7)
Decrease in Non-Current Assets	(8.0)
2) An Increase/(Decrease) in Current Assets and (Increase)/Decrease in Current Liabilities	
2a. Land Held for Sale	(0.8)
2b. Inventories at Cost	0.6
2c. Trade and Other Receivables	4.5
2d. Financial assets, at fair value through profit or loss	19.4
2e. Cash and Bank Balances	0.6
2f. Trade and Other Payables and Income Tax Payable	(1.1)
2g. Borrowings	2.1
Increase in Net Current Assets	25.3
3) A Decrease in Non-Current Liabilities	
3a. Long-Term Borrowings	1.4
3b. Deferred Tax Liabilities	0.5
Decrease in Non-Current Liabilities	1.9

The Non-Current Assets of the Group were S\$116.8 million as at 31 Oct 2009, as compared to S\$ 124.8 million as at 30 April 2009. The decrease of approximately S\$ 8.0 million was primarily due to:

- 1a. a decrease in Intangible Assets of approximately S\$3.7 million, mainly due to translation loss of Goodwill, Distribution and Licensing rights in foreign currency denominated subsidiaries;
- 1b. a decrease in Property, Plant and Equipment of S\$1.6 million, mainly due to additional equipment purchased for CNG stations by the Group's subsidiaries of S\$0.9 million, which was offset by current period depreciation of S\$0.8 million, and S\$1.7 million translation loss of Property, Plant and Equipment in the Group's foreign currency denominated subsidiaries;
- 1c. a decrease in Associated Companies and Other Receivables of S\$2.0 million, mainly due to a S\$1.5 million reduction in cost of investment arising from disposal of 24.61% equity interest in IES, and S\$0.5 million decrease in share of results from IES and CNA, net of translation differences;
- 1d. a decrease of Available-for-Sale Financial Assets of S\$0.7 million, due to disposal of Investment Securities.

The Net Current Assets of the Group increased by approximately S\$25.3 million to S\$51.9 million at 31 October 2009, as compared to approximately S\$26.6 million as at 30 April 2009. This was primarily attributable to:

- 2a. a decrease in Land Held for Sale of S\$0.8 million in the current period, due to translation differences of a foreign currency denominated subsidiary;
- 2b. an increase of S\$0.6 million in inventory held by ESA, as a result of inventory acquisition in anticipation of future sales;
- 2c. an increase in Trade & Other Receivables of S\$4.5 million, mainly due to slow settlement by the Group subsidiaries' debtors;
- 2d. an increase of Financial Assets at Fair Value through Profit or Loss of S\$19.4 million, which was mainly due to net acquisitions, disposals and fair value adjustments arising from market valuation of these quoted investments during the current period;

	IPCO INTERNATIONAL LIMITED SECOND QUARTER AND HALF YEAR ENDED 31 OCTOBER 2009 These figures have not been audited
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 affect 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>2e. an increase of S\$0.6 million in Cash and Bank balances, mainly due to S\$1.1 million net payment and proceeds from acquisitions and disposals of financial assets, S\$0.9 million plant and equipment acquisition by the Group's China subsidiaries, S\$2.5 million net loan repayments and proceeds, S\$8.0 million proceeds from the exercise of 1% unsecured equity linked redeemable structured convertible notes, S\$4.4 million funding of Oil and Gas Exploration and CNG projects in China subsidiaries, S\$2.2 million proceeds from the disposal of 24.61% equity interest in an associated company, S\$1.0 million payment of taxes, loan interest and leases, which were partially offset by dividends and interests receipts of S\$0.3 million;</p> <p>2f. an increase of Trade and Other Payables and Income Tax Payable of S\$1.1 million, mainly due to increased tax provisions of S\$1.7 million on fair value gains of financial assets through profit or loss, partly offset by tax payments of S\$0.2 million and a decrease in other payables of S\$0.4 million by the Group's China subsidiaries and ESA;</p> <p>2g. a decrease in short-term loans of S\$2.1 million, mainly due to loan repayments of S\$2.5 million and S\$0.4 million translation differences of bank loans of the Group's foreign subsidiaries in China.</p> <p>The Non-Current Liabilities of the Group have decreased to S\$26.9 million, compared to S\$28.8 million in FY2009. This is primarily attributable to a decrease of S\$1.9 million translation effect from Deferred Tax Liabilities and Long Term Bank Loans provided to the Group's foreign subsidiaries.</p>
9	Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.
	None
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>With the exception of our natural gas distribution business in Hubei Province, PRC, the advent of the global financial crisis and the ensuing economic downturn have negatively impacted the performance of our investments, though some of these have shown recent signs of partial recovery.</p> <p>The Group's performance is primarily driven by the results of our key strategic investments, as follows:</p> <p>1. The Group holds a 62.5% equity interest in ESA Electronics Pte Ltd ("ESA"). ESA is a Singapore-incorporated company and acts as agents and distributors of semi-conductor back-end equipment, such as burn-in systems, vision inspection systems and test systems. From its acquisition in April 2004 through FY07, ESA had achieved rapid and consistent growth in revenues and profits. However, around the end of calendar year 2007, the semiconductor industry began what initially appeared to be a cyclical downturn. This has been exacerbated by the global recession, which has particularly affected sales to customers in the USA, though Asia and Europe have felt the impacts as well.</p> <p>Although there are some initial signs of possible economic recovery, the first few months of the calendar year are typically low season. However, ESA's management cautiously anticipates a modest improvement commencing during the second half of calendar year 2010.</p> <p>2. The Group's wholly-owned subsidiary Excellent Empire Ltd, in turn via its wholly-owned subsidiary China Environmental Energy Protection Investment Ltd ("China Environmental"), holds a 90% equity interest in three companies supplying natural gas under 30-year exclusive contracts each in the cities, Anlu, Dawu, and Xiaochang in Hubei Province, PRC.</p> <p>Anlu Jiaxu has been expanding its customer base, and the operation of its CNG service station has begun to contribute revenue and cash flow to the Group. The local economy continues to grow, and the company expects new sales arising from recent construction activity in the commercial and industrial sectors, as well as from new connections to residential customers. Operations in Xiaochang and Dawu have recently begun, and as such are incurring start-up costs prior to significant revenue growth. Start-up costs will be partially compensated by connection fees to new residential customers. Barring unforeseen circumstances the Xiaochang and Dawu operations are expected to achieve positive net income in the coming year.</p>

	IPCO INTERNATIONAL LIMITED SECOND QUARTER AND HALF YEAR ENDED 31 OCTOBER 2009 These figures have not been audited
10	A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.
	<p>On 22 October 2009 China Environmental signed a 30-year exclusive Operational Agreement with the Guangshui District People's Government Office to process and supply natural gas to the city of Guangshui in Hubei Province, PRC. Guangshui City is adjacent to China Environmental's existing natural gas franchises in Anlu, Dawu and Xiaochang and consequently offers both strategic and operational synergies. Guangshui has a total population of 935,000, with 80,000 inhabitants in the center city and 280 taxis based in the city. Natural gas will be trucked 68 kilometers from Anlu Jiayu to the Guangshui Gas receiving and distribution station and processed before it is in turn transported via the distribution pipeline network for supply to commercial buildings, industry and residences in Guangshui City. In addition, Compressed Natural Gas ("CNG") will be provided to taxis and commuter buses. Phase I construction activities are planned to commence in the first quarter of 2010 and to be completed by the first half of 2011.</p> <p>These will principally comprise the detailed design, engineering and construction of the CNG Receiving and Distribution Center, the CNG Fuel Station, the Pipeline Distribution Network, Land and Buildings, with an estimated total cost of RMB 80 million (equivalent to S\$16.5 million). The Company intends to fund the investment with a combination of bank borrowings and internally generated funds.</p> <p>China Environmental has recently signed a purchase agreement with PetroChina Company Limited ("PetroChina") for the supply of natural gas via its forthcoming pipeline gateway to be constructed near Xiaochang. Starting at 20 million cubic metres in 2010, the volume is anticipated to grow to 140 million cubic metres in by 2015. The contract with PetroChina enhances China Environmental's strategic position for new business development by diversifying the source of gas supply and enabling access to significantly higher volumes for use in both existing and future operations.</p> <p>The Group is actively seeking new energy investment opportunities in Hubei and in other provinces of the PRC, in terms of both production and distribution.</p> <p>3. Asia Plan Ltd, in which the Group holds a 70% 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"). While the economic downturn has affected the Seattle area somewhat less than the USA in general, Capri has not sold any land since mid-2007. Since that time the sub-prime mortgage crisis has created a housing oversupply in the local area, and home builders have experienced difficulties in obtaining construction loans. Consequently, it is now apparent that Capri will have to discount substantially the selling price per lot to achieve even modest sales in the current economic climate. Recently Capri's management have been in negotiations with a regional home builder, with the prospect of reviving sales activity during the coming year.</p> <p>4. The Group holds an indirect 40% interest in C.N.A. Venture Holdings Sdn Bhd ("C.N.A."), a company incorporated in Malaysia and currently involved in the assembly and production of car seats. The global economic downturn has affected the Malaysian automotive industry as well, causing a significant workforce reduction in January 2009. While C.N.A. continues to seek new market opportunities in Russia and Vietnam, progress has been slowed by the global economic downturn, and C.N.A. is unlikely to return to profitability during calendar year 2010.</p> <p>The Company's management believes the China natural gas distribution business has considerable growth potential and intends to place a greater emphasis on this sector.</p>

	IPCO INTERNATIONAL LIMITED SECOND QUARTER AND HALF YEAR ENDED 31 OCTOBER 2009 These figures have not been audited
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 5.00pm) 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	Confirmation pursuant to Rule 705(4) of the Listing Manual 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 second quarter and half year ended 31 October 2009 financial results to be false or misleading.
	BY ORDER OF THE BOARD IPCO INTERNATIONAL LIMITED CARLSON CLARK SMITH EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER 14 DECEMBER 2009