INNOPAC HOLDINGS LIMITED

(Company Registration No. 197301788K)

Financial Statement & Dividend Announcement for Q1 ended 31 March 2016 (Unaudited)

1(a) A statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP		
	1.1.2016 to 31.3.2016 S$'000	**1.1.2015 to 31.3.2015 S$'000**	**+/(-) %**
Revenue	9	488	(98.2)
Cost of sales	(20)	(403)	(95.0)
Gross (loss) / profit	**(11)**	**85**	**(112.9)**
Other operating (expenses)/income			
- Net loss from investment trading activities	(149)	(913)	(83.7)
- Net loss from derivative instruments and other assets / liabilities	(160)	(390)	(59.0)
Other income	365	23	1,487.0
Administrative expenses	(612)	(357)	71.4
Other expenses	(50)	(254)	(80.3)
Finance income	84	3	2,700
Finance costs	(1)	(1)	-
Loss before tax	**(534)**	**(1,804)**	**(70.4)**
Tax expense	(27)	(2)	1,250.0
Loss for the period	**(561)**	**(1,806)**	**(68.9)**
Other comprehensive loss, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	205	(754)	(127.2)
Total comprehensive loss for the period	**(356)**	**(2,560)**	**(86.1)**
Loss attributable to:			
Owners of the Company	(543)	(1,805)	(69.9)
Non-controlling interests	(18)	(1)	1,700.0
Total comprehensive loss attributable to :			
Owners of the Company	(338)	(2,559)	(86.8)
Non-controlling interests	(18)	(1)	1,700.0

1(b)(i) Statements of financial position for the Issuer and Group, together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	31 Mar 2016 (Unaudited) S$'000	31 Dec 2015 (Audited) S$'000	31 Mar 2016 (Unaudited) S$'000	31 Dec 2015 (Audited) S$'000
ASSETS				
Non-current Assets :				
Subsidiaries	-	-	10,765	10,765
Property, plant and equipment	43	64	30	31
Investment properties	10,373	9,540	-	-
Investment in joint venture	729	707	-	-
Available-for-sale investments	6,142	6,142	6,142	6,142
	17,287	16,453	16,937	16,938
Current Assets :				
Investments held for trading	139	308	55	111
Investment in fixed income instruments	1,479	5,213	1,479	5,213
Trade receivables	1,332	1,332	1,331	1,331
Other receivables and prepayments	7,083	3,720	6,540	3,051
Cash and cash equivalents	2,398	2,578	803	954
	12,431	13,151	10,208	10,660
TOTAL ASSETS	**29,718**	**29,604**	**27,145**	**27,598**
LIABILITIES AND EQUITY				
Non-Current Liabilities :				
Deferred tax liabilities	422	376	-	-
	422	376	-	-
Current Liabilities :				
Trade and other payables	13,675	13,494	8,137	8,138
Provision for directors' fees	242	211	242	211
Finance lease liabilities	8	21	-	-
	13,925	13,726	8,379	8,349
Equity :				
Share capital	121,571	121,571	121,571	121,571
Assets revaluation reserve	3,099	3,099	-	-
Share awards reserve	752	678	752	678
Share options reserve	1,109	958	1,109	958
Foreign currency translation reserve	(366)	(571)	-	-
Accumulated losses	(111,349)	(110,806)	(104,666)	(103,958)
Equity attributable to owners of the Company	14,816	14,929	18,766	19,249
Non-controlling interests	555	573	-	-
	15,371	15,502	18,766	19,249
TOTAL LIABILITIES AND EQUITY	**29,718**	**29,604**	**27,145**	**27,598**

1(b)(ii) Group Borrowings

	GROUP		COMPANY	
	31 Mar 2016 (Unaudited) S$'000	31 Dec 2015 (Audited) S$'000	31 Mar 2016 (Unaudited) S$'000	31 Dec 2015 (Audited) S$'000
Amount repayable within one year	8	21	-	-

The borrowing relates to finance lease liabilities secured on a fixed asset purchased.

1(c) A statement of cash flows for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP	
	1.1.2016 to 31.3.2016 S$'000	**1.1.2015 to 31.3.2015 S$'000**
Cash flows from operating activities :		
Loss for the period	(561)	(1,806)
Adjustments for		
Tax expense recognised in profit or loss	27	2
Fair value loss on investments held for trading	149	913
Fair value loss on derivative instruments and other assets/liabilities	160	390
Fair value gain on investment property	(384)	-
Depreciation of property, plant and equipment	21	20
Provision for unutilised leave	13	13
Provision for directors' fee	31	31
Net unrealised foreign exchange (gain) / loss	(118)	43
Trade and other creditors written back	-	(3)
Share awards reserve	74	-
Share options reserve	151	-
Finance income	(84)	(3)
Finance costs	1	1
Operating cash flows before working capital changes	**(520)**	**(399)**
Investments held for trading	20	(87)
Investment in fixed income instruments	3,800	-
Trade and other receivables and prepayments	(3,443)	30
Derivative payables and other liabilities	-	(1)
Trade and other payables	(2)	(324)
Cash used in operations	(145)	(781)
Interest paid	(1)	(1)
Tax paid	-	(2)
Net cash used in operating activities	**(146)**	**(784)**
Cash flows from investing activities :		
Interest received	1	3
Payments for joint venture investment	(22)	-
Proceed from disposal of investment properties	-	593
Net cash (used in) / generated from investing activities	**(21)**	**596**
Cash flows from financing activities		
Repayment of finance lease	(13)	(13)
Net cash used in financing activities	**(13)**	**(13)**
Net decrease in cash and cash equivalents	(180)	(201)
Cash and cash equivalents at the beginning of the period	2,578	5,164
Cash and cash equivalents at the end of the period	**2,398**	**4,963**

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

	Share capital	Share awards reserve	Share options reserve	Foreign currency translation reserve	Accumulated (losses)	Asset revaluation reserve	Attributable to equity holders of the Company	Non-controlling interest	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
GROUP									
Balance as *a*t 1.1.2016	**121,571**	**678**	**958**	**(571)**	**(110,806)**	**3,099**	**14,929**	**573**	**15,502**
Loss for the period	-	-	-	-	(543)	-	(543)	(18)	(561)
Other comprehensive loss: Exchange differences on translating foreign operations	-	-	-	205	-	-	205	-	205
Total other comprehensive loss for the period, net of tax	-	-	-	205	-	-	205	-	205
Total comprehensive loss for the period	-	-	-	205	(543)	-	(338)	(18)	(356)
Share awards reserve	-	74	-	-	-	-	74	-	74
Share options reserve	-	-	151	-	-	-	151	-	151
Balance as at 31.3.2016	**121,571**	**752**	**1,109**	**(366)**	**(111,349)**	**3,099**	**14,816**	**555**	**15,371**
Balance as *a*t 1.1.2015	**121,571**	**-**	**546**	**848**	**(61,765)**	**3,046**	**64,246**	**751**	**64,997**
Loss for the period	-	-	-	-	(1,805)	-	(1,805)	(1)	(1,806)
Other comprehensive loss: Exchange differences on translating foreign operations	-	-	-	(754)	-	-	(754)	-	(754)
Total other comprehensive loss for the financial period, net of tax	-	-	-	(754)	-	-	(754)	-	(754)
Total comprehensive loss for the period	-	-	-	(754)	(1,805)	-	(2,559)	(1)	(2,560)
Balance as at 31.3.2015	**121,571**	**-**	**546**	**94**	**(63,570)**	**3,046**	**61,687**	**750**	**62,437**

	Share capital	Share awards reserve	Share options reserve	Accumulated losses	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
COMPANY					
Balance as at 1.1.2016	**121,571**	**678**	**958**	**(103,958)**	**19,249**
Loss for the financial period	-	-	-	(708)	(708)
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive loss for the financial period	-	-	-	(708)	(708)
Share awards reserve	-	74	-	-	74
Share options reserve	-	-	151	-	151
Balance as at 31.3.2016	**121,571**	**752**	**1,109**	**(104,666)**	**18,766**
Balance as at 1.1.2015	**121,571**	**-**	**546**	**(57,939)**	**64,178**
Loss for the financial period	-	-	-	(464)	(464)
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive loss for the financial period	-	-	-	(464)	(464)
Balance as at 31.3.2015	**121,571**	**-**	**546**	**(58,403)**	**63,714**

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.

There was no change in the Company's share capital. It remained at 4,396,750,145 ordinary shares at the end of the period under review.

The share awards, share options, and warrants outstanding during the period under review were as follows:-

GROUP / COMPANY	No. of share awards	No. of share options	No. of warrants
Balance at 1 Jan 2016 and 31 Mar 2016	94,000,000	93,500,000	465,783,822

64,000,000 shares have been allotted and issued upon vesting of share awards subsequent to the period under review.

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 / COMPANY	No. of shares
Balance at 31 Dec 2015 and 31 Mar 2016	4,396,750,145

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.

There was no treasury share in issue during the period under review.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

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 accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements.

5. If there are any changes in 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 has adopted the same accounting policies and method of computations for the period under review as in the last audited financial statements.

6. (Losses) / 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 preferential dividends.

	GROUP 3 months ended	
	31 Mar 2016 Cents	**31 Mar 2015 Cents**
Losses per ordinary share based on net loss attributable to shareholders calculated on:		
(i) weighted average number of ordinary shares	(0.01)	(0.04)
(ii) a fully diluted basis	(0.01)	(0.04)

Losses per ordinary share for Q1 2016 was calculated based on the weighted average number of shares of 4,396,750,145 (Q1 2015: 4,396,750,145) in issue during the period. The fully diluted losses per ordinary share for Q1 2016 was calculated based on the weighted average number of shares of 4,396,750,145 (Q1 2015: 4,396,750,145) in issue during the period.

Diluted loss per share is calculated based on the weighted average number of ordinary shares adjusted for the effects of all dilutive potential ordinary shares. Shares awards of 94,000,000 granted but not vested, share options of 93,500,000 granted but not exercised, and 465,783,822 warrants in issue at the end of the period under review, were excluded from the calculation of the diluted weighted average number of ordinary shares, as their effects are anti-dilutive.

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.

	GROUP		COMPANY	
	31 Mar 2016 Cents	**31 Dec 2015 Cents**	**31 Dec 2016 Cents**	**31 Dec 2015 Cents**
Net asset value per ordinary share based on existing issued share capital	0.35	0.35	0.43	0.44

Computation of net asset value per ordinary share was based on 4,396,750,145 issued ordinary shares at the end of the period under review (31 Dec 2015: 4,396,750,145 ordinary shares).

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) seasonable 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.

Comments on the Statements of Comprehensive Income

Revenue in the quarter ended 31 March 2016 ("Q1 2016") decreased to S$0.01 million from S$0.5 million in the previous corresponding quarter ended 31 March 2015 ("Q1 2015"), due to decreased sales of marketable securities. The Group realised a *gross loss* of S$0.01 million in Q1 2016 as compared to a gross profit of S$0.1 million in Q1 2015.

Unrealised losses from *investment trading activities* decreased to S$0.1 million in Q1 2016 from S$0.9 million in Q1 2015. These unrealised fair value losses from the Group's investments trading activities reflect the changes in the market value of the Group's investments in marketable securities.

Unrealised losses from *derivative instruments and other assets/liabilities* decreased to S$0.2 million in Q1 2016 from S$0.4 million in Q1 2015. These unrealised losses were mainly due to fair value changes arising from the Group's investments in derivatives. These fair value losses reflect the changes in market value of the underlying assets.

Other income increased to S$0.4 million in Q1 2016 from S$0.02 million in Q1 2015. The increase was mainly due to fair value gain of investment properties.

Administrative expenses increased to S$0.6 million in Q1 2016 from S$0.4 million in Q1 2015. The increase was mainly due to non-cash expenses of S$0.2 million arising from the grant of share awards and share options in 2015.

Other expenses decreased to S$0.1 million in Q1 2016 from S$0.3 million in Q1 2015, mainly due to the net unrealized foreign exchange gain in translating foreign currency denominated assets into Singapore dollar for reporting purposes.

Finance income of S$0.1 million in Q1 2016 represents mainly interest income derived from the Company's investment in fixed income instruments.

Loss for the period decreased to S$0.6 million in Q1 2016 from S$ 1.8 million in Q1 2015. The decrease was mainly due to reduced losses arising from investment trading activities, derivative instruments and other assets/liabilities, and other expenses, but partly offset by increases in administrative expenses. The increase in other income also contributed to the decrease in loss for the period under review.

There was an exchange gain on *translation of foreign operations* of S$0.2 million in Q1 2016, as compared to a loss of S$0.8 million in Q1 2015. The exchange differences were mainly due to the net effect in translating the foreign currency denominated financial statements of its subsidiaries into Singapore Dollar for reporting purposes.

Review of the Statements of Financial Position as at 31 March 2016 compared with 31 December 2015

There was no material change for *property, plant and equipment* as at 31 March 2016 as compared to 31 December 2015.

Investment properties comprised residential and commercial properties which were held for income and capital gain, increased to S$10.4 million as at 31 March 2016 from S$9.5 million as at 31 December 2015. The increase was mainly due to fair value gain and exchange rate translation gain.

There was no material change for *Investment in joint venture* as at 31 March 2016 as compared to 31 December 2015. Investment in joint venture represents the Group's 50% participating interest in a gold exploration and exploitation concession in the Kyrgyz Republic.

The Group's *available-for-sale investments* as at 31 March 2016 was S$6.1 million, comprising:
(i) the rights to receive the net proceeds of 60 finished lots of land situated at Sawyer Falls, Pierce County, Washington State, USA, amounting to S$4.6 million; and
(ii) an equity investment in Trackplus Sdn Bhd with a valuation of S$1.5 million.

Overall, non-current assets decreased to S$17.3 million as at 31 March 2016 from S$16.5 million as at 31 December 2015.

Current assets decreased to S$12.4 million as at 31 March 2016 from S$13.2 million as at 31 December 2015. The changes were due to:

- *Investments held for trading* decreased to S$0.1 million as at 31 March 2016 from S$0.3 million as at 31 December 2015. The decrease was mainly due to fair value losses.

- *Investment in fixed income instruments* decreased to S$1.5 million as at 31 March 2016 from S$5.2 million as at 31 December 2015. The decrease mainly due to redemption of fixed income instruments of S$3.8 million.

- *Trade receivables* remained at S$1.3 million, as compared to 31 December 2015.

- *Other receivables and prepayments* increased to S$7.1 million as at 31 March 2016 from S$3.7 million as at 31 December 2015. The increase was mainly due to an advance of S$3.8 million to Primeforth Renewable Energy Limited, the Group's JV partner in the microalgae cultivation and oil extraction project, for site survey, land clearing, and purchase of equipment for the microalgae cultivation and oil extraction project.

- *Cash and cash equivalents* decreased to S$2.4 million as at 31 March 2016 from S$2.6 million as at 31 December 2015.

Trade and other payables increased to S$13.7 million as at 31 March 2016 from S$13.5 million as at 31 December 2015. The increase was mainly due to finance charges incurred under the securities trading accounts.

There were no material changes for *provision for directors' fees*, and *finance lease liabilities* as at 31 March 2016 as compared to 31 December 2015.

As at 31 March 2016, current liabilities increased to S$13.9 million from S$13.7 million as at 31 December 2015.

Current liabilities exceeded current assets by S$1.5 million as at 31 March 2016.

As at 31 March 2016, the Group's current ratio was 0.89 times, as compared to 0.96 times as at 31 December 2015.

There were no material changes for non-current liabilities as at 31 March 2016 as compared to 31 December 2015. Non-current liabilities were represented by deferred tax liabilities, which is the estimated tax payable calculated on the difference between the carrying amount of the Group's investment properties and its costs.

Total equity decreased to S$15.4 million as at 31 March 2016 from S$15.5 million as at 31 December 2015.

Comments on Cashflow

Operating cash outflows before working capital changes in Q1 2016 were S$0.5 million. These outflows were financed by redemption of fixed income instruments of S$3.8 million, but partially offset by an increase in other receivables of S$3.4 million.

Operating cash outflows before working capital changes in Q1 2015 were S$0.4 million. These outflows were financed by proceed of S$0.6 million from disposal of investment properties, but partly offset by a decrease in trade and other payables of S$0.3 million.

Use of proceeds of the 2014 rights issue and the 2013 share placement

As at 31 March 2016, the use of proceeds of the 2014 rights issue and the 2013 share placement are as follows.

	2014 Rights Issue S$'000	**2013 Share Placement S$'000**
General working capital	898	2,500
Business expansion	-	14,395
Investments at cost, and held in cash and cash equivalents	8,085	12,894
Total	**8,983**	**29,789**

The breakdown of usage for general working capital as at 31 March 2016 as follows.

Payroll and employee expenses	207	1,307
General administrative and service expenses	691	1,086
Listing expenses and corporate matter expenses	-	107
General working capital	**898**	**2,500**

S$8.1 million from the 2014 rights issue and S$12.9 million from the 2013 share placement have been invested in investments or cash and cash equivalents, pending deployment of funds. The rest of the proceeds from the 2014 rights issue and 2013 share placement have been utilised in accordance with the stated purposes.

The Company will provide further updates on the use of the proceeds from the 2014 rights issue and 2013 share placement as and when such proceeds are further disbursed and whether such use is in accordance with the stated use.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

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 twelve months.

The Group is primarily engaged in investments and provision of management services to related companies.

Investments held for trading and financial instruments

The Group invests surplus cash that are not immediately required for operations in marketable securities and financial instruments. The fair value of the Group's portfolio of marketable securities and financial instruments is subject to external market factors at the time of valuation and this may have an impact on the profit or loss of the Group for the reporting period.

Investments in investment properties

The Group's investment properties are residential and commercial properties held for income and capital gain. The Group had reviewed its investments in investment properties and had decided to dispose of its investment properties in Malaysia.

Investments in Joint-Ventures

1. Microalgae cultivation JV

On 22 September 2015, the Company entered into a Joint Venture Agreement ("JVA") with Primeforth Renewable Energy Limited ("Primeforth"), to establish a microalgae cultivation and oil extraction project to be located in Singapore. However, the search for a suitable site to establish the facility in Singapore has been unsuccessful, and subsequently the Company and Primeforth signed a supplemental agreement to provide for the first facility to be located in Malaysia on 21 January 2016.

A suitable site in Malaysia has been identified and Primeforth has been tasked with the site preparation, such as site survey, land clearing and purchase of equipment, as well as the applications and procurement of required permits and licenses for the microalgae joint venture project. As at the end of the quarter, the Company has advanced S$3.8 million for such purposes.

The original budget for the microalgae cultivation and oil extraction project is US$12.5 million. The contemplated facility would have the capacity to process and produce 30 tonnes oil microalgae oil a day. The Company and Primeforth is discussing on the additional financing for the project.

2. Gold exploration and exploitation JV

The Company's wholly owned subsidiary, Golden Eagle Mining Pte Ltd ("GEM"), had in 2015 acquired a 50% participating interest in an exploration and mining concession in Kuramator region, Kyrgyz Republic. Since the end of 2015 this 50% participating interest in the concession has been restructured into direct equity ownership in the share capital of Artel Trade LLC ("Artel") which owns the concession and the licences to explore and exploit the concession. The Group now owns 50% share equity in Artel.

The Group has invested US$400,000 for the acquisition of the 50% equity stake in Artel and has funded US$115,000 of US$150,000 of the 2015 work program budget as of 31 March 2016.

Work program for 2016 is being prepared by Artel's local geologist for submission to the Geological Agency of the Kyrgyz Republic for approval. One of the main objective of the proposed 2016 work program is to upgrade the alluvial gold reserves and have it registered in the State balance which will enable Artel to start mining the alluvial gold.

New investments and acquisitions

The Group is also presently exploring and evaluating investment and acquisition opportunities, with the aim of building a portfolio of businesses and investments that can deliver consistent profits and cashflow as well as growth potential. The Group is focusing on environmentally-friendly and green technologies, alternative and renewable resources businesses.

11. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

No dividend has been declared.

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

Not applicable.

(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.

(d) The date the dividend is payable.

Not applicable.

(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 dividends have been recommended for the current financial 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.

No IPT mandate has been obtained, and there is no such transaction during the reported financial period.

14. Confirmation pursuant to Rule 705(5) of the listing manual

Wong Chin Yong and Ong Kah Hock, being two directors of Innopac Holdings Limited, do hereby confirm on behalf of the Company 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 first quarter 2016 unaudited financial results to be false or misleading in any material aspect.

On behalf of the Board of Directors

Wong Chin Yong **Director**	**Ong Kah Hock** **Director**
Date: 13 May 2016	**Date: 13 May 2016**

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).

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

By order of the Board

Stanley Chu Kam Po
Company Secretary
Date: 13 May 2016