


**INNOPAC HOLDINGS LIMITED**

(Company Registration No. 197301788K)

**Financial Statement & Dividend Announcement for the First Quarter (3 Months) ended 30 September 2018 (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 <sup>st</sup> Quarter ended 30 September		
	2018 (Q1 2019)	2017 (Q1 2018)	Change
	S\$'000	S\$'000	+ / (-) %
<b>Revenue</b>			
Net gains on trading of marketable securities	-	14	n.m
Rental income from investment properties	10	13	(23.1)
	10	27	(63.0)
Other operating (expenses)/income			
- Net losses from investment trading activities	-	(14)	n.m
- Net gains /(losses) from derivative instruments and other assets/ liabilities	-	-	-
Other income	61	2	2950.0
Administrative expenses	(256)	(311)	(17.7)
Other expenses	(523)	(131)	299.2
Finance income	-	-	-
Finance costs	(5)	(3)	66.7
Share of loss of joint ventures	-	(5)	n.m
<b>Loss before tax</b>	<b>(713)</b>	<b>(435)</b>	<b>63.9</b>
Tax (expenses)/credit	(28)	(1)	2700.0
<b>Loss for the period</b>	<b>(741)</b>	<b>(436)</b>	<b>70.0</b>
<b>Other comprehensive income/ (loss), net of tax</b>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(92)	13	(807.7)
<b>Total comprehensive loss</b>	<b>(833)</b>	<b>(423)</b>	<b>96.9</b>
(Loss)/profit attributable to:			
Owners of the Company	(724)	(426)	70.0
Non-controlling interests	(17)	(10)	70.0
Total comprehensive (loss)/profit attributable to :			
Owners of the Company	(816)	(413)	97.6
Non-controlling interests	(17)	(10)	70.0

**n.m : not meaningful**

**Notes:** The Company has changed its financial year end from 31 December to 30 June (please refer to the announcement reference no.SG1801100THR7LX3 dated 10 January 2018). The financial period for FY2019 will now cover 12 month period from 01 July 2018 to 30 June 2019. For the purposes of this results announcement:

- ◆ The financial period from 1 January 2017 to 30 June 2018 shall be referred to as "FY2018";
- ◆ The current financial year, being the period from 1 July 2018 to 30 June 2019, shall be referred to as "FY2019";
- ◆ The financial quarter from 1 July 2018 to 30 September 2018 shall be referred to as "Q12019"; and
- ◆ The financial quarter from preceding financial year from 1 July 2017 to 30 September 2017, will be referred to as "Q12018".

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	
	30.9.2018 (Unaudited) S\$'000	30.06.2018 (Audited) S\$'000	30.9.2018 (Unaudited) S\$'000	30.06.2018 (Audited) S\$'000
<b>ASSETS</b>				
<b>Non-current Assets :</b>				
Subsidiaries	-	-	2,322	2,322
Property, plant and equipment	66	69	28	28
Investment properties	8,799	9,008	-	-
Investments in joint venture	773	773	-	-
Available-for-sale investments	4,600	4,600	4,600	4,600
	14,238	14,450	6,950	6,950
<b>Current Assets :</b>				
Investments held for trading	66	66	66	72
Trade and other receivables and prepayments	2,322	2,350	1,925	2,683
Cash and cash equivalents	1,133	1,141	99	97
	3,521	3,557	2,090	2,852
<b>TOTAL ASSETS</b>	<b>17,759</b>	<b>18,007</b>	<b>9,040</b>	<b>9,802</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Non-Current Liabilities :</b>				
Deferred tax liabilities	356	365	-	-
	356	365	-	-
<b>Current Liabilities :</b>				
Trade and other payables	15,161	14,438	7,432	7,526
Provision for directors' fees	25	161	25	161
Tax Payable	304	297	-	-
	15,490	14,896	7,457	7,687
<b>Equity and Reserves :</b>				
Share capital	121,572	121,572	121,572	121,572
Assets revaluation reserve	3,099	3,099	-	-
Share awards reserve	752	752	752	752
Share options reserve	1,154	1,154	1,154	1,154
Foreign currency translation reserve	(569)	(477)	-	-
Accumulated losses	(124,611)	(123,887)	(121,895)	(121,363)
<b>Equity attributable to owners of the Company</b>	<b>1,397</b>	<b>2,213</b>	<b>1,583</b>	<b>2,115</b>
<b>Non-controlling interests</b>	<b>516</b>	<b>533</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>1,913</b>	<b>2,746</b>	<b>1,583</b>	<b>2,115</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>17,759</b>	<b>18,007</b>	<b>9,040</b>	<b>9,802</b>

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  
Nil

(B) the amount repayable after one year  
Nil

(C) whether the amounts are secured or unsecured  
Not applicable

(D) details of any collaterals  
Not applicable

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 <sup>st</sup> Quarter ended 30 September	
	2018 (Q1 2019)	2017 (Q1 2018)
	S\$'000	S\$'000
<b>Cash flows from operating activities :</b>		
Loss for the period	(741)	(436)
Adjustments for :		
Tax expenses recognised in profit or loss	28	1
Share of loss of joint ventures	-	5
Net losses/(gains) from investments held for trading	-	14
Net (gains)/losses from derivative instruments and other assets/liabilities	-	-
Depreciation of property, plant and equipment	3	-
Provision for unutilized leave	4	7
Provision for directors' fee	25	32
Net unrealised foreign exchange loss/(gain)	177	(1)
Share awards	-	-
Share options	-	-
Finance income	-	-
Finance costs	5	3
Operating cash flows before working capital Changes	(499)	(375)
Investments held for trading	-	-
Investment in fixed income instruments	-	-
Trade and other receivables and prepayments	(55)	(64)
Trade and other payables	567	416
Derivative payables and other liabilities	-	-
Cash (used in) operations	13	(23)
Interest paid	-	(3)
Tax paid	(21)	(1)
<b>Net cash (used in) operating activities</b>	<b>(8)</b>	<b>(27)</b>
<b>Cash flows from investing activities :</b>		
Payments for joint venture investment	-	(8)
<b>Net cash generated from/(used in) investing activities</b>	<b>-</b>	<b>(8)</b>
<b>Cash flows from financing activities :</b>		
Repayment of finance lease	-	-
<b>Net cash generated from/(used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(8)</b>	<b>(35)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,141</b>	<b>1,406</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,133</b>	<b>1,371</b>

**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 Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>GROUP</b>									
<b>Balance as at 1.7.2018</b>	121,572	752	1,154	(477)	(123,887)	3,099	2,213	533	2,746
Loss for the period	-	-	-	-	(724)	-	(724)	(17)	(741)
Other comprehensive income/(loss):									
Exchange differences on translating foreign operations	-	-	-	(92)	-	-	(92)	-	(92)
Total other comprehensive income for the period, net of tax	-	-	-	(92)	-	-	(92)	-	(92)
Total comprehensive income/(loss) for the period	-	-	-	(92)	(724)	-	(816)	(17)	(833)
Issue of share under conversion of warrants	-	-	-	-	-	-	-	-	-
Grant of share awards	-	-	-	-	-	-	-	-	-
Grant of share options	-	-	-	-	-	-	-	-	-
<b>Balance as at 30.09.2018</b>	121,572	752	1,154	(569)	(124,611)	3,099	1,397	516	1,913
<b>Balance as at 1.7.2017</b>	121,571	752	1,154	(783)	(115,299)	3,099	10,494	584	11,078
Loss for the period	-	-	-	-	(426)	-	(426)	(10)	(436)
Other comprehensive (loss)/income:									
Exchange differences on translating foreign operations	-	-	-	13	-	-	13	-	13
Total other comprehensive (loss)/income for the financial period, net of tax	-	-	-	13	-	-	13	-	13
Total comprehensive (loss)/income for the period	-	-	-	13	(426)	-	(413)	(10)	(423)
Grant of share awards	-	-	-	-	-	-	-	-	-
Grant of share options	-	-	-	-	-	-	-	-	-
<b>Balance as at 30.09.2017</b>	121,571	752	1,154	(770)	(115,725)	3,099	10,081	574	10,655

	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 Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>COMPANY</b>									
<b>Balance as at 1.7.2018</b>	121,572	752	1,154	-	(121,363)	-	-	-	2,115
Loss for the financial period	-	-	-	-	(532)	-	-	-	(532)
Other comprehensive income/ (loss) for the financial period:	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the financial period	-	-	-	-	-	-	-	-	-
Issue of share under conversion of warrants	-	-	-	-	-	-	-	-	-
<b>Balance as at 30.09.2018</b>	121,572	752	1,154	-	(121,895)	-	-	-	1,583
<b>Balance as at 1.7.2017</b>	121,571	752	1,154	-	(113,092)	-	-	-	10,385
Loss for the financial period	-	-	-	-	(366)	-	-	-	(366)
Other comprehensive (loss)/income:									
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	-	-
Total other comprehensive (loss)/income for the financial period, net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive (loss)/income for the period	-	-	-	-	(366)	-	-	-	(366)
Grant of share awards	-	-	-	-	-	-	-	-	-
Grant of share options	-	-	-6	-	-	-	-	-	-
<b>Balance as at 30.09.2017</b>	121,571	752	1,154	-	(113,458)	-	-	-	10,019

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 share awards, share options, and warrants outstanding during the period under review were as follow:-

GROUP / COMPANY	Number of share awards	No. of share options
Balance as at 1 Jul 2018	30,000,000	75,500,000
Lapsed / expired	-	-
Balance as at 30 Sep 2018	30,000,000	75,500,000

**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.**

<b>GROUP / COMPANY</b>	<b>No. of shares</b>
Balance as at 30 Jun 2018	4,460,834,645
Issued of shares	-
Balance as at 30 September 2018	4,460,834,645

The total number of issued shares excluding treasury shares as at 30 September 2018 was 4,460,834,645.

**1(d) (iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There was no treasury shares in issue as at the end of the current financial period reported on and its corresponding period.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on and its corresponding period.

**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. The Group had changed its financial year end from 31 December to 30 June (please refer to the announcement reference no.SG180110OTHR7LX3 dated 10 January 2018). The financial period for FY2019 will now cover 12 month period from 01 July 2018 to 30 June 2019.

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.**

	<b>GROUP</b> 1 <sup>st</sup> Quarter ended 30 September	
	(Q1 2019) Cents	(Q1 2018) Cents
(Losses) per ordinary share based on net loss attributable to shareholders calculated on:		
(i) weighted average number of ordinary shares	(0.02)	(0.01)
(ii) a fully diluted basis	(0.02)	(0.01)

Losses per ordinary share for 30 September 2018 was calculated based on the weighted average number of shares of 4,460,834,645 (30 September 2017: 4,460,750,145) in issue during the period. The fully diluted losses per ordinary share for the current financial period reported on was calculated based on the weighted average number of shares of 4,460,834,645 (30 September 2017: 4,460,750,145) in issue during the period.

Diluted loss per share was calculated based on the weighted average number of ordinary shares adjusted for the effects of all dilutive potential ordinary shares. Shares awards granted but not vested, share options granted but not exercised, and 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.**

	<b>GROUP</b>		<b>COMPANY</b>	
	30.09.2018 Cents	30.06.2018 Cents	30.09.2018 Cents	30.06.2018 Cents
Net asset value per ordinary share based on existing issued share capital	0.04	0.06	0.04	0.05

Computation of net asset value per ordinary share was based on 4,460,834,645 issued ordinary shares at the end of the period under review (30 June 2018: 4,460,834,645 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 Group's Statement of Comprehensive Income**

### **3 months to 30 September 2018 ("Q1 2019")**

*Rental Income* from investment properties was S\$0.01 million for Q1 2019. There was no transaction on gain/loss on trading of marketable securities for this quarter. Overall, revenue decreased by 63% due to absence in Net gain on trading of marketable securities in this quarter.

There were no transactions from *investment trading activities* in Q1 2019, as compared to the net loss of S\$0.01million in Q1 2018. These net (losses) / gains are unrealised (losses) / gains arising from the changes in the fair value of the Group's investments in marketable securities.

*Other income* in Q1 2019 of S\$0.06 million arose from workman compensation claims for medical insurance was significantly increased by 2950% compared to Q1 2018. This is a one-time, ad hoc income from medical insurance claims.

*Administrative expenses* decreased by 18% to S\$0.26 million in Q1 2019 from S\$0.31 million in Q1 2018.

*Other expenses* increased by 300% to S\$0.52 million in Q1 2019 from S\$0.13 million in Q1 2018, mainly due to increase in professional and legal fees incurred for meeting compliance required by SGX Regulation Pte Ltd.

*Loss for the period* increased to S\$0.74 million from S\$ 0.44 million in the corresponding period in Q1 2018.

There was an exchange loss on *translation of foreign operations* of S\$0.09 million in Q1 2019, as compared to a gain of S\$0.01 million in Q1 2018. 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 Group's Statement of Financial Position as at 30 September 2018 compared with 30 June 2018**

There was a decrease of 4% in *property, plant and equipment* during the period ended 30 June 2018 due to depreciation for the plant and equipment.

*Investment properties* comprised residential and commercial properties held for income and capital gain, decreased to S\$8.8 million as at 30 September 2018 from S\$9 million as at 31 December 2016. The decrease was mainly due to exchange rate translation losses.

*Investments in joint venture* remained unchanged at S\$0.77 million as at 30 September 2018. The Group's *investments in joint venture* as at 30 September 2018 represents its investment in the gold exploration and exploitation project in the Kyrgyz Republic.

The Group's *available-for-sale investments* as at 30 September 2018 and 30 June 2018 remained unchanged at S\$4.6 million, comprising the rights to receive the net proceeds from 60 finished lots of land situated at Falling Waters, Pierce County, Washington State, USA.

Overall, *non-current assets* decreased by 1.5% to S\$14.24million as at 30 September 2018 from S\$14.45 million as at 30 June 2018.

*Current assets* decreased slightly by 1% to S\$3.5 million as at 30 September 2018 from S\$3.6 million as at 30 June 2018. The changes were due to:

- *Other receivables and prepayments* decreased 1.3% to S\$2.32 million as at 30 September 2018 from S\$2.35 million as at 30 June 2018.
- *Cash and cash equivalents* decreased 0.9% to S\$1.13million as at 30 September 2018 from S\$1.14 million as at 31 December 2016.

*Trade and other payables* increased by 5% to S\$15.16million as at 30 September 2018 from S\$14.44 million as at 30 June 2018 as the fees are recorded in the other payable. The increase was mainly due to increase in unpaid expenses.



There were a decrease of 84% in provision for directors' fees as at 30 September as compared to 30 June 2018. The director fees for prior years under *provision for director fees* were reclassified and transferred into *other payables* when declared but unpaid.

*Tax payable* increased by 2.4% due to a tax payable of a subsidiary in Malaysia.

The Group's Current liabilities increased 4% to S\$15.5 million as at 30 September 2018 compared to S\$14.9 million as at 30 June 2018.

The Group *Current liabilities* exceeded *current assets* by S\$11.9 million as at 30 September 2018.

As at 30 September 2018, the Group's current ratio was 0.22 times, as compared to 0.24 times as at 30 June 2018.

The Group's *Non-current liabilities* declined 2.5% as at 30 September 2018 compared to 30 June 2018 due to revaluation on currency differences. 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 30% to S\$1.9 million as at 30 September 2018 from S\$2.7million as at 30 June 2018.

### **Comments on Cash flow**

#### **Q1 2019 vs Q1 2018**

Operating cash outflows before working capital changes in Q1 2019 were S\$0.5 million. These outflows were financed by trade and other payable of S\$0.6million, but partly offset by increase in trade and other receivables and prepayments of S\$0.06 million. Net cash outflows arising from operating activities (after movement in working capital) was S\$0.008 million. There were no Cash flow from investing activities for Q1 2019.

Operating cash outflows before working capital changes in Q1 2018 were S\$0.38 million. These outflows were partly financed by increase in trade and other payable of S\$0.42 million. Net cash outflows arising from operating activities (after movement in working capital) was S\$0.03 million. The Group has made a payment of S\$0.01 million for its investments in joint ventures in Q1 2018.

**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.**

#### **Proposed Corporate Exercise**

On 8 October 2018, the Company announced that it had on 6 October 2018 entered into a loan agreement ("Loan Agreement") with Joy Maker International Limited (the "Lender"). Pursuant to the Loan Agreement, the Lender had agreed to lend up to S\$2,500,000.00 to the Company (the "Loan"), subject to the terms and on conditions set out in the Loan Agreement (See announcement ref: SG181008OTHRK9VW).

On 9 October 2018, the Company announced that it had on 6 October 2018 entered into a Sale and Purchase Agreement ("SPA") to dispose of shares in certain subsidiaries and proposed placement of 8,400,000,000 new Ordinary shares in the capital of the Company at S\$0.001 per new ordinary share. (See announcement ref: SG181009OTHR412E).

Since June 2017, the Company has been looking to raise funds from issuance of its new shares in the Company to strengthen its financial position and to fund its existing investments and for new investments. The Company's proposed rights issue in 2017 was cancelled and the proposed share placement in April 2018 was derailed by a letter demand to the Company from Saxo Bank A/S. The transactions announced on 8 and 9 October 2018 are the Company's latest effort to achieve the following:

- a) strengthen the Company's financial position with the proposed placement;
- b) address the question of Going concern from the S\$2.5 million loan, that will adequately meet the Company's obligation as they come due in the next 12 months ;
- c) return the Company and Group to profitability and exit the SGX Financial Watch list by the disposal of subsidiaries with a total net liabilities of S\$8.3 million; and
- d) Introduce a Controlling shareholder, who will provide new directions for the Company and the Group.

#### Saxo Bank A/S Litigation

The Company had been served with a writ of summons in the High Court of the Republic of Singapore filed by Saxo Bank A/S claiming S\$15,020,238.02 from the Company to settle the accounts of two of its subsidiaries ("Claim"), on 24 October 2018. This writ of summons is related to the letter of demand for S\$14,689,028.12 from Saxo Bank A/S received on 1 June 2018. The Company has taken legal advice from its solicitors and is disputing the Claim, as it believes that the Claim has no merit. The Company intends to strenuously defend the Claim. The Company will make further announcements on any material developments, as and when appropriate.

The Group's principal activities are in investments, investment holdings and rendering of 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's investment properties consist of a 48.3 acres industrial land in Tanjung Malim, Perak; an apartment in Kuala Lumpur, Malaysia and two shop-houses in Sabah, Malaysia. The outlook for the investment properties market in Malaysia remains stable and will be largely influenced by political developments and central bank policies. The Group has reviewed its investments in investment properties and is exploring to develop the Tanjung Malim land, inter alia, into smaller industrial lots for sale. The Group had also decided to dispose of its investment properties in Malaysia.

**Investments in Joint-Ventures.** The Company has a gold exploration and exploitation in the Kyrgyz Republic.

The JV company, Artel Trade LLC ("Artel"), intended to conduct a work program in 2018 to upgrade the alluvial gold reserves and have it registered in the State balance which will enable it to start mining the alluvial gold. However, due to the lack of funding the work program in 2018 is temporarily shelf. Artel's two exploration licenses will be expiring and due for renewal/extension by June 2019 and its renewal/extension may not be obtained due to the failure of conducting the work program in 2018. The Company has requested Artel to discuss with the Agency on this matter and the outcome is uncertain.

Pending the completion of the Proposed Disposal and the Proposed Placement, the Group continues to seek new opportunities in profitable investments.

#### **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. Negative confirmation pursuant to Rule 705(5)**

Wong Chin Yong and Leng Yew Chee Philip, 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 Group's unaudited financial statements for the Q1 2019 to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

**Wong Chin Yong**  
**Director**  
**Dated: 15 November 2018**

**Leng Yew Chee Philip**  
**Director**  
**Dated: 15 November 2018**

**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**

Tan Sock Kheng  
**Company Secretary**

**Dated: 15 November 2018**