



INNOPAC HOLDINGS LIMITED

(Company Registration No. 197301788K)

Financial Statement & Dividend Announcement for the fifth Quarter (3 Months) and the 15 months (15M) ended 31 Mar 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 3 months			GROUP 15 months		
	1.1.2018 to 1.3.2018 S\$'000	1.1.2017 to 31.3.2017 S\$'000	+ /(-) %	1.1.2017 to 31.3.2018 S\$'000	1.1.2016 to 31.3.2017 S\$'000	+ /(-) %
<u>Revenue</u>						
Net gains on trading of marketable securities	-	-	-	14	2	600.0
Rental income from investment properties	11	-	n.m	99	22	350.0
	11	-	n.m	113	24	370.8
Other operating (expenses)/income						
- Net gains/ (losses) from investment trading activities	66	49	34.7	66	(63)	(204.8)
- Net gains / (losses) from derivative instruments and other assets/ liabilities	-	6	(100.0)	6	(159)	(103.8)
Other income/ (losses)	1	(25)	(104)	(11)	273	(104.0)
Administrative expenses	(221)	(316)	(30.1)	(1,496)	(1,935)	(22.7)
Other expenses	(533)	(290)	83.8	(1,701)	(2,138)	(20.4)
Finance income	-	1	(100.0)	1	97	(99.0)
Finance costs	4	(1)	(500.0)	(7)	(3)	133.3
Share of loss of joint ventures	(1)	-	n.m	(7)	(22)	(68.2)
Loss before tax	(673)	(576)	16.8	(3,036)	(3,926)	(22.7)
Tax credit/ (expenses)	-	-	-	19	(11)	(272.7)
Loss for the period	(673)	(576)	16.8	(3,017)	(3,937)	(23.4)
Other comprehensive income/ (loss), net of tax						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	182	(128)	(242)	291	(300)	197.0
Total comprehensive loss	(491)	(704)	(213)	(2,726)	(4,237)	(35.7)
(Loss)/profit attributable to:						
Owners of the Company	(685)	(555)	23.4	(2,938)	(3,959)	(25.8)
Non-controlling interests	12	(21)	(157.1)	(79)	22	(459.1)
Total comprehensive (loss)/profit attributable to :						
Owners of the Company	(503)	(683)	(26.4)	(2,647)	(4,259)	(37.8)
Non-controlling interests	12	(21)	(157.1)	(79)	22	(459.1)

n.m : not meaningful

Notes:

This announcement covers a 15 month period from 01 Jan 2017 to 31 March 2018. The Company has changed its financial yearend from 31 December to 30 June (please refer to the announcement reference no.SG1801100THR7LX3 dated 10 January 2018). The financial period for FY2017 will now cover 18 month period from 01 January 2017 to 30 June 2018.

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	
	31.3.2018 (Unaudited) S\$'000	31.12.2017 (Unaudited) S\$'000	31.3.2018 (Unaudited) S\$'000	31.12.2017 (Unaudited) S\$'000
ASSETS				
Non-current Assets :				
Subsidiaries	-	-	4,607	4,607
Property, plant and equipment	71	74	28	28
Investment properties	9,023	8,755	-	-
Investments in joint venture	772	772	-	-
Available-for-sale investments	4,600	6,142	4,600	6,142
	14,466	15,743	9,235	10,777
Current Assets :				
Investments held for trading	149	83	132	66
Trade and other receivables and prepayments	2,368	2,409	2,702	2,693
Cash and cash equivalents	1,271	1,170	213	111
	3,788	3,662	3,047	2,870
Assets classified as held for sale	5,996	5,996	5,996	5,996
	9,784	9,658	9,043	8,866
TOTAL ASSETS	24,250	25,401	18,278	19,643
LIABILITIES AND EQUITY				
Non-Current Liabilities :				
Deferred tax liabilities	376	365	-	-
	376	365	-	-
Current Liabilities :				
Trade and other payables	14,360	15,031	9,405	9,982
Derivative payables and other liabilities	-	-	-	-
Provision for directors' fees	-	-	-	-
	14,360	15,031	9,405	9,982
Equity and Reserves :				
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	(452)	(634)	-	-
Accumulated losses	(117,148)	(116,463)	(114,605)	(113,817)
Equity attributable to owners of the Company	8,977	9,480	8,873	9,661
Non-controlling interests	537	525	-	-
Total equity	9,514	10,005	8,873	9,661
TOTAL LIABILITIES AND EQUITY	24,250	25,401	18,278	19,643

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		GROUP	
	3 Months		15 months	
	1.1.2018 to 31.3.2018 S\$'000	1.1.2017 to 31.3.2017 S\$'000	1.1.2017 to 31.3.2018 S\$'000	1.1.2016 to 31.03.2017 S\$'000
Cash flows from operating activities :				
Loss for the period	(673)	(576)	(3,017)	(3,937)
Adjustments for :				
Tax (credit)/expenses recognised in profit or loss	-	-	(19)	11
Share of loss of joint ventures	1	-	7	22
Net (gains)/ losses from investments held for trading	(66)	(49)	(66)	63
Net (gains)/losses from derivative instruments and other assets/liabilities	-	(6)	(6)	159
Fair value gain on investment property	-	-	-	(383)
Impairment of trade and other receivables	-	19	72	1,033
Write off of other debtor, deposit & prepayment	-	-	-	4
Depreciation of property, plant and equipment	3	-	8	36
Loss on disposal of investment property	3	-	324	-
Loss on disposal of available-for-sale investment	542	-	542	-
Provision for unutilized leave	2	17	57	65
Provision for directors' fee	18	33	77	163
Trade and other creditors written back	-	-	-	(1)
Net unrealised foreign exchange (gain)/loss	(111)	108	(142)	255
Share awards	-	-	-	74
Share options	-	-	-	196
Finance income	-	(1)	(1)	(97)
Finance costs	(3)	1	7	3
Operating cash flows before working capital Changes	(284)	(454)	(2,157)	(2,334)
Investments held for trading	-	-	-	113
Investment in fixed income instruments	-	-	-	5,000
Trade and other receivables and prepayments	77	59	12	(4,457)
Trade and other payables	(696)	245	91	347
Derivative payables and other liabilities	-	-	-	6
Cash (used in) operations	(903)	(150)	(2,054)	(1,325)
Interest paid	4	(1)	(7)	(3)
Tax paid	-	-	(1)	(1)
Net cash (used in) operating activities	(899)	(151)	(2,062)	(1,329)
Cash flows from investing activities :				
Interest received	-	3	3	293
Purchase of property, plant and equipment	-	-	(49)	(3)
Payments for joint venture investment	-	-	(8)	(82)
Proceeds from sales of available-for-sale investment	1,000	-	1,000	-
Proceeds from sales of investment property	-	-	802	-
Net cash generated from investing activities	1,000	3	1,748	208
Cash flows from financing activities :				
Repayment of finance lease	-	-	-	(21)
Proceeds from conversion of warrants	-	-	1	-
Net cash generated from/(used in) financing activities	-	-	1	(21)
Net increase /(decrease) in cash and cash equivalents	101	(148)	(313)	(1,142)
Cash and cash equivalents at the beginning of the period	1,170	1,584	1,584	2,578
Cash and cash equivalents at the end of the period	1,271	1,436	1,271	1,436

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 at 1.1.2017	121,571	752	1,154	(743)	(114,210)	3,099	11,623	616	12,239
Loss for the period	-	-	-	-	(2,253)	-	(2,253)	(91)	(2,344)
Other comprehensive income/(loss):									
Exchange differences on translating foreign operations	-	-	-	109	-	-	109	-	109
Total other comprehensive income for the period, net of tax	-	-	-	109	-	-	109	-	109
Total comprehensive income/(loss) for the period	-	-	-	109	(2,253)	-	(2,144)	(91)	(2,235)
Issue of share under conversion of warrants	1	-	-	-	-	-	1	-	1
Grant of share awards	-	-	-	-	-	-	-	-	-
Grant of share options	-	-	-	-	-	-	-	-	-
Balance as at 31.12.2017	121,572	752	1,154	(634)	(116,463)	3,099	9,480	525	10,005
Loss for the financial period	-	-	-	-	(685)	-	(685)	12	(673)
Exchange differences on translating foreign operations	-	-	-	182	-	-	182	-	182
Total other comprehensive (loss)/income for the financial period, net of tax	-	-	-	182	-	-	182	-	182
Total comprehensive (loss)/income for the period	-	-	-	182	(685)	-	(503)	12	(491)
Balance as at 31.03.2018	121,572	752	1,154	(452)	(117,148)	3,099	8,977	537	9,514
Balance as at 1.1.2016	121,571	678	958	(571)	(110,806)	3,099	14,929	573	15,502
Loss for the period	-	-	-	-	(3,404)	-	(3,404)	43	(3,361)
Other comprehensive (loss)/income:									
Exchange differences on translating foreign operations	-	-	-	(172)	-	-	(172)	-	(172)
Total other comprehensive (loss)/income for the financial period, net of tax	-	-	-	(172)	-	-	(172)	-	(172)
Total comprehensive (loss)/income for the period	-	-	-	(172)	(3,404)	-	(3,576)	43	(3,533)
Grant of share awards	-	74	-	-	-	-	74	-	74
Grant of share options	-	-	196	-	-	-	196	-	196
Balance as at 31.12.2016	121,571	752	1,154	(743)	(114,210)	3,099	11,623	616	12,239
Loss for the financial period	-	-	-	-	(555)	-	(555)	(21)	(576)
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	-	-
Total other comprehensive (loss)/income for the financial period, net of tax translating foreign operations	-	-	-	(128)	-	-	(128)	-	(128)
Total comprehensive (loss)/income for the period	-	-	-	(128)	(555)	-	(683)	(21)	(704)
Balance as at 31.03.2017	121,571	752	1,154	(871)	(114,765)	3,099	10,940	595	11,535

	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
COMPANY									
Balance as at 1.1.2017	121,571	752	1,154	-	(112,185)	-	-	-	11,292
Loss for the financial period	-	-	-	-	(1,632)	-	-	-	(1,632)
Other comprehensive income/ (loss) for the financial period:	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the financial period	-	-	-	-	(1,632)	-	-	-	(1,632)
Issue of share under conversion of warrants	1	-	-	-	-	-	-	-	1
Balance as at 31.12.2017	121,572	752	1,154	-	(113,817)	-	-	-	9,661
Loss for the financial period	-	-	-	-	(788)	-	-	-	(788)
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	-	-	-	-	(788)	-	-	-	(788)
Balance as at 31.03.2018	121,572	752	1,154	-	(114,605)	-	-	-	8,873
Balance as at 1.1.2016	121,571	678	958	-	(103,958)	-	-	-	19,249
Loss for the financial period	-	-	-	-	(8,227)	-	-	-	(8,227)
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	-	-	-	-	(8,227)	-	-	-	(8,227)
Grant of share awards	-	74	-	-	-	-	-	-	74
Grant of share options	-	-	196	-	-	-	-	-	196
Balance as at 31.12.2016	121,572	752	1,154	-	(112,185)	-	-	-	11,292
Loss for the financial period	-	-	-	-	(332)	-	-	-	(332)
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	-	-	-	-	(332)	-	-	-	(332)
Balance as at 31.03.2017	121,571	752	1,154	-	(112,517)	-	-	-	10,960

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	No. of share awards	No. of share options	No. of warrants
Balance as at 1 Jan 2017	30,000,000	91,500,000	465,783,822
Conversion of warrants			(84,500)
Warrants expired	-	-	(465,699,322)
Balance as at 31 Mar 2018	30,000,000	91,500,000	-

The warrants had expired and there were no outstanding warrants as at 31 March 2018.

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 as at 1 Jan 2017	4,460,750,145
Issued of shares - conversion of warrants	84,500
Balance as at 31 Mar 2018	4,460,834,645

The total number of issued shares excluding treasury shares as at 31 March 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 share 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 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.

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 15 months	
	1.1.2017 to 31.03.2018 Cents	1.1.2016 to 31.3.2017 Cents
(Losses) per ordinary share based on net loss attributable to shareholders calculated on:		
(i) weighted average number of ordinary shares	(0.07)	(0.09)
(ii) a fully diluted basis	(0.07)	(0.09)

Losses per ordinary share for 31 March 2018 was calculated based on the weighted average number of shares of 4,460,762,183 (31 March 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 4,460,762,183 (31 March 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.

	GROUP		COMPANY	
	31.03.2018 Cents	31.12.2017 Cents	31.03.2018 Cents	31.12.2017 Cents
Net asset value per ordinary share based on existing issued share capital	0.21	0.22	0.20	0.22

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 (31 Dec 2017: 4,460,750,145 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) 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.

Comments on the Statements of Comprehensive Income

3 months to 31 March 2018

Revenue in the quarter ended 31 March 2018 was \$0.01million of the rental income from investment properties and there were no trading activities of marketable securities in this quarter.

The net gain from investment trading activities for the quarter ended 31 March 2018 was a gain of S\$0.07 million as compared to the net gain of S\$0.05million in Q1 2017. The increase in gain by 34.7% was due to a gain in unrealised gains arising from the changes in the fair value of the Group's investments in marketable securities.

Other income improved by 104% to S\$0.001million from a loss of S\$0.03million mainly due to increase in net realised gain in forex trading.

Administrative expenses decreased by 30.1% to S\$0.22million for quarter ended 31 March 2018 from S\$0.32million in Q1 2017 due to reduction in remuneration cost.

Other expenses increased by 83.8% to S\$0.53million for quarter ended 31 March 2018 from S\$0.29million in Q1 2017, mainly due to a loss on disposal of available for sale investments of S\$0.57million as announced on 17th January 2018 (See announcement ref: SG1801170THRPDZV).

Loss for the period increased by 16.8% to S\$0.67million in the quarter ended 31 March 2018 from S\$ 0.58million in the corresponding quarter ended 31 March 2017.

There was an exchange gain on translation of foreign operations of S\$0.18million in the quarter ended 31 March 2018, as compared to a loss of S\$0.13million in the corresponding quarter ended 31 March 2017. The exchange differences were mainly due to the net effect in translating the foreign currencies denominated financial statements of its subsidiaries into Singapore Dollar for reporting purposes.

First 15 months to 31 March 2018 ("15M 2018") vs 15 months 31 March 2017("15M 2017")

Due to the change of the financial year end from 31 December to 30 June the Group results covered a 15 month period from 1 January 2017 to 31 March 2018.

Revenue in the 15 months ended 31 March 2018 ("15M 2018") increased by 370% to S\$0.11million from S\$0.02million in the 15 months ended 31 March 2017 ("15M 2017"), due to an increase in rental income from the Group's investment properties.

The net gains/ (loss from investment trading activities improved by 204% due to a gain of S\$0.06million for the period ended 31 March 2018 as compared to a loss of S\$0.06million for 15 months ended 31 March 2017 ("15M 2017").

The net gains from derivative instruments and other assets/liabilities in ("15M 2018") were S\$0.006 million an improvement of 104% as compared to the net losses of S\$0.16 million in ("15M 2017"). These net (losses) / gains are unrealised gains / (losses) arising from the changes in the fair value of the Group's investments in derivative instruments and other assets/liabilities.

Other income decreased by 104% from a gain of S\$0.27million in ("15M 2017") to loss of S\$0.011 in ("15M 2018") due to absence in fair value gain/(losses) arising from investment properties.

Administrative expenses decreased by 22.7% to S\$1.5 million in ("15M 2018") from S\$1.9 million in ("15M 2017"). The decrease was mainly due to absence of non-cash expenses arising from the grant of share award and share options and decrease in remuneration as compared to ("15M 2017").

Other expenses decreased 20.4% to S\$1.7million in ("15M 2018") from S\$2.1million in ("15M 2017"), mainly due to decrease on the impairment loss of trade and other receivables of S\$0.96million and partly set-off by the loss on disposal of available for sale of investment for S\$0.57million.

Loss for the period decreased 23% to S\$3million in ("15M 2018") from S\$3.9million for period ended ("15M 2017").

There was an exchange gain on *translation of foreign operations* of S\$0.29million in (“15M 2018”), as compared to a loss of S\$0.3million in (“15M 2017”). 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 2018 compared with 31 December 2017

There was a decrease of 4.05% from S\$0.07million to \$0.07million in *property, plant and equipment* as at 31 March 2018 mainly due to depreciation in a subsidiary.

Investment properties comprised residential and commercial properties which were held for income and capital gain, increased by 3.06% from S\$8.8million as at 31 March 2017 to S\$9million as at 31 March 2018. The increase was mainly due to exchange rate adjustment.

Investments in joint venture remain unchanged at S\$0.77 million as at 31 March 2018. The investment in joint venture represents its investment in the gold exploration and exploitation project.

The Group’s *available-for-sale investments* as at 31 March 2018 decreased by 25% from \$6.1 million to S\$4.6 million, comprising the rights to receive the net proceeds of 60 finished lots of land situated at Sawyer Falls, Pierce County, Washington State, USA. The decrease was due to the disposal of the investment in Trackplus.

Overall, non-current assets decreased by 8.1% to S\$14.5million as at 31 March 2018 from S\$15.7million as at 31 December 2017.

Current assets increased slightly by 1.3% to S\$9.8million as at 31 March 2018 from S\$9.7million as at 31 December 2017. The changes were due to:

- *Assets classified as held for sale* of S\$6million as at 31 March 2018 remain unchanged in the investment in microalgae cultivation and extraction of oil project.
- *Investments held for trading* increased to S\$0.15million as at 31 March 2018 due to changes in fair value.
- *Other receivables and prepayments* decreased slightly by 1.7% to S\$2.37million as at 31 March 2018 from S\$2.40million as compared to 31 December 2017.
- *Cash and cash equivalents* increased by 8.6% to S\$1.27million as at 31 March 2017 from \$1.17million as at 31 December 2017.

Trade and other payables decreased by 4.6% to S\$14.3million from S\$15.0million as at 31 March 2018. The decrease was due to reduction in accruals and payments of payables.

As at 31 March 2018, the current liabilities had decreased by 4.46% from S\$15million to S\$14 million due to payments of debts to its trade and other payables.

Current liabilities exceeded current assets by S\$4.58 million as at 31 March 2018.

As at 31 March 2018, the Group’s current ratio was 0.68 times, as compared to 0.64 times as at 31 December 2017.

There was a 3% increase in non-current liabilities as at 31 March 2018 as compared to 31 December 2017. 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 by 4.9% to S\$9.5million as at 31 March 2018 from S\$10million as at 31 December 2017.

Comments on Cashflow

The 3 month period results ended 31 March 2018 are for the comparative purposes only and not consolidated in the 12 month period results ended 31 December 2017. The 15 month period results ended 31 March 2018, which is computed by adding the results of the 3 month period ended 31 March 2018 to that of 12 month period ended 31 December 2017, is also presented for comparative purposes.

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'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"), intends 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. Artel is planning a sampling program for the alluvial deposit in the later part of 2018. The profitability of this JV is subject to fluctuations in international gold prices and cost of production in the Kyrgyz Republic.

The Group will continue to seek new opportunities on profitable investments and review its existing investments. The Group is also actively for potential major acquisitions that have revenue, cash flows and profitability.

The Company is making several restructuring efforts that are aimed to improve the financial position of the Group. In April 2018, the Company announced a share placement exercise to raise SGD 5,000,000. The share placement has been fully subscribed and completion is pending regulatory and shareholders' approval.

However on 1 June 2018, the Company received a letter of demand for SGD 14,689,028.12 from Rajah & Tann Singapore LLP ("R&T") acting on behalf of Saxo Bank A/C ("Saxo Bank") (See announcement dated 6 June 2018).

The Company's lawyers have responded to R&T and shall keep shareholders apprised on this matter.

This act by Saxo Bank has caused a delay and uncertainty in the placement exercise. The Company is in consultation with its lawyers on appropriate actions in this regards.

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 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 Group's unaudited financial statements for the Q5 and 15M 2018 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: 14 June 2018

Date: 14 June 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
Date: 14 June 2018