INNOPAC HOLDINGS LIMITED

(Company Registration No. 197301788K)

Financial Statement & Dividend Announcement for the third quarter (Q3) and the 9 months ended 30 September 2015 (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 Q3			GROUP 9 months ended		
	1.7.2015 to 30.9.2015 S$'000	1.7.2014 to 30.9.2014 S$'000	+/(-) %	30 Sep 2015 S$'000	30 Sep 2014 S$'000	+/(-) %
Revenue	15	331	(95.5)	737	772	(4.5)
Cost of sales	(57)	(523)	(89.1)	(712)	(1,129)	(36.9)
Gross profit / (loss)	**(42)**	**(192)**	**(78.1)**	**25**	**(357)**	**(107.0)**
Other operating (expenses) / income						
- Net loss from investment trading activities	(475)	(2,812)	(83.1)	(1,301)	(8,465)	(84.6)
- Net gain from derivative receivables	-	990	(100.0)	-	2,656	(100.0)
- Net loss from derivative instruments and other assets/liabilities	(275)	(573)	(52.0)	(1,018)	(1,861)	(45.3)
Other income	146	-	n.m	146	-	n.m
Administrative expenses	(724)	(418)	73.2	(1,706)	(1,195)	42.8
Other expenses	(622)	(483)	28.8	(1,297)	(853)	52.1
Finance costs	(1)	(2)	(50.0)	(4)	(4)	-
Loss before tax	**(1,993)**	**(3,490)**	**(42.9)**	**(5,155)**	**(10,079)**	**(48.9)**
Tax (expense)	-	-	-	-	(7)	(100.0)
Loss for the period	**(1,993)**	**(3,490)**	**(42.9)**	**(5,155)**	**(10,086)**	**(48.9)**
Other comprehensive loss, net of tax						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	(468)	23	(2,134.8)	(1,501)	(115)	1,205.2
Total comprehensive loss for the period	**(2,461)**	**(3,467)**	**(29.0)**	**(6,656)**	**(10,201)**	**(34.8)**
Loss attributable to:						
Owners of the Company	(1,990)	(3,408)	(41.6)	(5,138)	(9,952)	(48.4)
Non-controlling interests	(3)	(82)	(96.3)	(17)	(134)	(87.3)
Total comprehensive loss attributable to :						
Owners of the Company	(2,458)	(3,385)	(27.4)	(6,639)	(10,067)	(34.1)
Non-controlling interests	(3)	(82)	(96.3)	(17)	(134)	(87.3)

*n.m : not meaningful

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 Sep 2015 (Unaudited) S$'000	31 Dec 2014 (Audited) S$'000	30 Sep 2015 (Unaudited) S$'000	31 Dec 2014 (Audited) S$'000
ASSETS				
Non-current Assets :				
Subsidiaries	-	-	24,504	24,504
Goodwill	13,709	13,709	-	-
Property, plant and equipment	83	144	30	32
Investment property	9,244	11,803	-	-
Investment in joint venture	709	-	-	-
Available-for-sale investments	6,142	6,142	6,142	6,142
	29,887	31,798	30,676	30,678
Current Assets :				
Inventories	7	9	-	-
Derivative receivables and other assets	-	10	-	2
Investments held for trading	6,114	7,066	5,804	6,330
Trade receivables	30,856	30,856	30,855	30,855
Other receivables and prepayments	1,066	743	2,444	1,726
Cash and cash equivalents	3,093	5,164	1,450	3,148
	41,136	43,848	40,553	42,061
Assets classified as held for sale	4,741	5,112	-	-
	45,877	48,960	40,553	42,061
TOTAL ASSETS	**75,764**	**80,758**	**71,229**	**72,739**
LIABILITIES AND EQUITY				
Non-Current Liabilities :				
Finance lease liabilities	-	21	-	-
Deferred tax liabilities	353	428	-	-
	353	449	-	-
Current Liabilities :				
Trade and other payables	8,781	2,889	8,231	8,365
Derivative payables and other liabilities	4,544	9,491	-	-
Provision for directors' fees	199	196	199	196
Finance lease liabilities	34	51	-	-
	13,558	12,627	8,430	8,561
Liabilities directly associated with assets classified as held for sale	2,826	2,685	-	-
	16,384	15,312	8,430	8,561
Equity :				
Share capital	121,571	121,571	121,571	121,571
Assets revaluation reserve	3,099	3,046	-	-
Share awards and share options reserve	1,236	546	1,236	546
Foreign currency translation reserve	(653)	848	-	-
Accumulated losses	(66,960)	(61,765)	(60,008)	(57,939)
Equity attributable to owners of the Company	58,293	64,246	62,799	64,178
Non-controlling interests	734	751	-	-
	59,027	64,997	62,799	64,178
TOTAL LIABILITIES AND EQUITY	**75,764**	**80,758**	**71,229**	**72,739**

1(b)(ii) Group Borrowings	GROUP		COMPANY	
	30 Sep 2015 (Unaudited) S$'000	31 Dec 2014 Audited S$'000	30 Sep 2015 (Unaudited) S$'000	31 Dec 2014 Audited S$'000
Amount repayable within one year	34	51	-	-

The borrowing relates to finance lease liabilities secured on the 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		GROUP	
	Q3		9 months ended	
	1.7.2015 to 30.9.2015 S$'000	1.7.2014 to 30.9.2014 S$'000	30 Sep 2015 S$'000	30 Sep 2014 S$'000
Cash flows from operating activities :				
Loss before income tax	(1,993)	(3,490)	(5,155)	(10,079)
Adjustments for :				
Fair value loss on investments held for trading	475	2,812	1,301	8,465
Fair value loss on derivative instruments and other assets/liabilities	275	573	1,018	1,861
Fair value gain on derivative receivables	-	(990)	-	(2,656)
Fair value gain on investment property	-	-	-	(22)
Reversal of allowance / allowance for impairment loss on property, plant and equipment	-	52	-	(26)
Write off of other debtor, deposit & prepayment	-	204	-	204
Depreciation of property, plant and equipment	20	69	61	206
Provision for unutilized leave	13	17	40	48
Provision for directors' fee	31	22	94	79
Net unrealised foreign exchange loss / (gain)	442	(39)	715	(59)
Trade and other creditors written back	-	-	(3)	-
Share awards and share options reserve	407	-	690	-
Finance costs	1	2	4	4
Operating cash flows before working capital changes	(329)	(768)	(1,235)	(1,975)
Inventories	(1)	(71)	-	(68)
Trade and other receivables and prepayments	(355)	(53)	(323)	(50)
Investments held for trading	(155)	312	(330)	550
Trade and other payables	171	13	(188)	416
Cash used in operations	(669)	(567)	(2,076)	(1,127)
Interest paid	(1)	(2)	(4)	(4)
Tax paid	-	-	(2)	-
Net cash used in operating activities	**(670)**	**(569)**	**(2,082)**	**(1,131)**
Cash flows from investing activities :				
Purchase of property, plant and equipment	-	(58)	-	(74)
Payments for joint venture investment	(154)	-	(709)	-
Proceed from disposal of investment property	165	502	758	502
Net cash generated from investing activities	**11**	**444**	**49**	**428**
Cash flows from financing activities :				
Repayment of finance lease	(13)	(13)	(38)	(39)
Net cash used in financing activities	**(13)**	**(13)**	**(38)**	**(39)**
Net decrease in cash and cash equivalents	(672)	(138)	(2,071)	(742)
Cash and cash equivalents at the beginning of the period	3,765	2,147	5,164	2,751
Cash and cash equivalents at the end of the period	**3,093**	**2,009**	**3,093**	**2,009**

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 S$'000	Share option reserve S$'000	Foreign currency translation reserve S$'000	Accumulated (losses) S$'000	Asset revaluation reserve S$'000	Attributable to equity holders of the Company S$'000	Non-controlling interest S$'000	Total S$'000
GROUP								
Balance as *at* 1.1.2015	**121,571**	**546**	**848**	**(61,765)**	**3,046**	**64,246**	**751**	**64,997**
Loss for the period	-	-	-	(5,138)	-	(5,138)	(17)	(5,155)
Other comprehensive loss: Exchange differences on translating foreign operations	-	-	(1,501)	-	-	(1,501)	-	(1,501)
Total other comprehensive loss for the period, net of tax	-	-	(1,501)	-	-	(1,501)	-	(1,501)
Total comprehensive loss for the period	-	-	(1,501)	(5,138)	-	(6,639)	(17)	(6,656)
Reclassification of reserves	-	-	-	(57)	53	(4)	-	(4)
Share awards and share options reserve	-	690	-	-	-	690	-	690
Balance as at 30.9.2015	**121,571**	**1,236**	**(653)**	**(66,960)**	**3,099**	**58,293**	**734**	**59,027**
Balance as *at* 1.1.2014	**112,588**	**546**	**781**	**(56,360)**	**3,046**	**60,601**	**1,137**	**61,738**
Loss for the period	-	-	-	(9,952)	-	(9,952)	(134)	(10,086)
Other comprehensive loss: Exchange differences on translating foreign operations	-	-	(115)	-	-	(115)	-	(115)
Total other comprehensive loss for the financial period, net of tax	-	-	(115)	-	-	(115)	-	(115)
Total comprehensive loss for the period	-	-	(115)	(9,952)	-	(10,067)	(134)	(10,201)
Balance as at 30.9.2014	**112,588**	**546**	**666**	**(66,312)**	**3,046**	**50,534**	**1,003**	**51,537**

	Share capital S$'000	Share option reserve S$'000	Accumulated losses S$'000	Total S$'000
COMPANY **Balance as at 1.1.2015**	**121,571**	**546**	**(57,939)**	**64,178**
Loss for the financial period	-	-	(2,069)	(2,069)
Other comprehensive income for the financial period	-	-	-	-
Total comprehensive loss for the financial period	-	-	(2,069)	(2,069)
Share awards and share options reserve	-	690	-	690
Balance as at 30.9.2015	**121,571**	**1,236**	**(60,008)**	**62,799**
COMPANY **Balance as at 1.1.2014**	**112,588**	**546**	**(61,771)**	**51,363**
Loss for the financial period	-	-	(2,410)	(2,410)
Other comprehensive income for the financial period	-	-	-	-
Total comprehensive loss for the financial period	-	-	(2,410)	(2,410)
Balance as at 30.9.2014	**112,588**	**546**	**(64,181)**	**48,953**

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 and remained at 4,396,750,145 ordinary shares since the end of the previous period.

There were 95,000,000 share awards and 95,000,000 share options outstanding as at end of the period reported on.

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 2015 and 30 Sep 2015	4,396,750,145

Balance as at 1 Jan 2014	3,465,182,495
Issue of rights shares	931,567,650
Balance as at 31 Dec 2014	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.

The Company had no treasury share during the financial 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 in the financial statements for the current financial period reported 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 Q3		GROUP 9 months ended	
	1.7.2015 to 30.9.2015 Cents	1.7.2014 to 30.9.2014 Cents	30 Sep 2015 Cents	30 Sep 2014 Cents
(Losses) per ordinary share based on net loss attributable to shareholders calculated on:				
(i) weighted average number of ordinary shares on issue	(0.05)	(0.10)	(0.12)	(0.29)
(ii) a fully diluted basis	(0.05)	(0.10)	(0.12)	(0.29)

Losses per ordinary share is calculated based on the weighted average number of shares of 4,396,750,145 (Q3 2014: 3,465,182,495) in issue during the period. The fully diluted losses per ordinary share is calculated based on the weighted average number of shares of 4,396,750,145 (Q3 2014: 3,465,182,495) 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 and share options granted and warrants issued 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	
	30 Sep 2015 Cents	31 Dec 2014 Cents	30 Sep 2015 Cents	31 Dec 2014 Cents
Net asset value per ordinary share based on existing issued share capital	1.34	1.48	1.43	1.46

Computation of net asset value per ordinary share is based on 4,396,750,145 issued ordinary shares at the end of the period under review (2014: 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 – Q3 2015 Vs Q3 2014

Group revenue decreased to S$0.02 million for the quarter ended 30 September 2015 ("Q3 2015"), from S$0.3 million for the quarter ended 30 September 2014 ("Q3 2014"), due to decreased sales of marketable securities. The Group realised a gross loss of S$0.04 million in Q3 2015, compared to a gross loss of S$0.2 million in Q3 2014.

Unrealised losses from investment trading activities reduced from S$2.8 million in Q3 2014 to S$0.5 million in Q3 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 gain arising from derivative receivables amounted to S$1.0 million in Q3 2014. This was due to the Sale and Purchase Agreement dated 7 September 2013 ("S&P") entered into by the Group. The transaction was subsequently completed in December 2014.

Unrealised losses from derivative instruments and other assets decreased from S$0.6 million in Q3 2014 to S$0.3 million in Q3 2015. These were mainly due to fair value losses from the Group's investments in derivatives. These fair value losses reflect changes in market value of the underlying assets.

Other income comprised mainly of the Group's net realized investment gain.

Administrative expenses increased to S$0.7 million in Q3 2015 from S$0.4 million in Q3 2014. The increase was mainly due to non-cash expenses of S$0.4 million arising from the grant of 95,000,000 share awards and 95,000,000 share options on 28 April 2015.

Other expenses increased marginally to S$0.6 million in Q3 2015 from S$0.5 million in Q3 2014. The increase was mainly due to an unrealized loss arising from foreign currency valuation.

Loss before income tax decreased to S$2.0 million in Q3 2015 from S$3.5 million in Q3 2014. The decrease in loss was mainly due to (i) the decrease in losses arising from the Group's investment trading activities, but partly offset by (ii) the absence of gain from derivative receivables.

The Group has recorded exchange losses of S$0.5 million on translation of foreign operations in Q3 2015, as compared to an exchange gain of S$0.02 million in Q3 2014. The exchange differences are mainly due to the depreciation of Malaysian Ringgit against Singapore Dollar. The Group recorded these exchange differences as it translated the financial statements of its Malaysian subsidiaries into Singapore Dollar for reporting purpose.

Comments on the Statements of Comprehensive Income – first 9 months 2015 vs first 9 months 2014

Group revenue decreased to S$0.7 million for the nine months ended 30 September 2015 ("9M 2015"), from S$0.8 million for the nine months ended 30 September 2014 ("9M 2014") due to decreased sales of marketable securities. The Group realised a gross gain of S$0.02 million in 9M 2015, compared to a gross loss of S$0.4 million in 9M 2014.

Unrealised losses from investment trading activities narrowed from S$8.5 million in 9M 2014 to S$1.3 million in 9M 2015. The unrealised losses from investment trading activities was mainly due to fair value losses of the Group's investments in marketable securities. These fair value losses reflect the changes in the market value of the Group's investments in marketable securities.

Unrealised gain arising from derivative receivables amounted to S$2.7 million in 9M 2014. This was due to a Sale and Purchase Agreement dated 7 September 2013 ("S&P") entered into by the Group, wherein the Group had agreed to sell certain marketable securities. A Variation Agreement to the S&P was entered on 25 March 2014 to extend the completion date to 31 December 2014. The transaction was subsequently completed in December 2014.

Unrealised losses from derivative instruments and other assets decreased from S$1.9 million in 9M 2014 to S$1.0 million in 9M 2015. These were mainly due to fair value losses from the Group's investments in derivatives. These fair value losses reflect changes in market value of the underlying assets.

Other income comprised mainly of the Group's net realized investment gain.

Administrative expenses was S$1.7 million in 9M 2015 compared to S$1.2 million in 9M 2014. The increase was mainly due to non-cash expenses of S$0.7 million arising from the grant of 95,000,000 share awards and 95,000,000 share options on 28 April 2015.

Other expenses increased to S$1.3 million in 9M 2015 from S$0.9 million in 9M 2014. The increase was mainly due to an unrealized loss arising from foreign currency translation. The increase was mainly due to the depreciation of Malaysian Ringgit against Singapore Dollar.

Loss before income tax decreased to S$5.2 million in 9M 2015, from S$10.1 million in 9M 2014. The decrease in loss was mainly due to (i) the decrease in losses arising from the Group's investment trading activities, but partly offset by (ii) the absence of gain from derivative receivables.

Exchange losses on translation of foreign operations have increased to S$1.5 million in 9M 2015 from S$0.1 million in 9M 2014. The increase was mainly due to the depreciation of Malaysian Ringgit against Singapore Dollar. The Group recorded these exchange differences as it translated the financial statements of its Malaysian subsidiaries into Singapore Dollar for reporting purpose.

Review of the Statements of Financial Position as at 30 September 2015 compared with 31 December 2014

Goodwill of S$13.7 million arose from the acquisition of an 81.82% equity interest in Extera Pte Ltd ("Extera") in 2013. Based on the directors' best estimate of the likely fair valuation of the identifiable assets and liabilities which approximate to the carrying amounts at the date of acquisition, the Group has determined that the carrying value of the goodwill associated with the Group's acquisition of Extera was not impaired.

There was no material change for property, plant and equipment in Q3 2015 as compared to Q3 2014.

Investment property comprises residential and commercial properties which are held for income and capital gain, decreased to S$9.2 million as at 30 September 2015 from S$11.8 million as at 31 December 2014. The decrease was mainly due to (i) disposal of investment property during 9M 2015, and (ii) exchange rate translation difference.

Investment in joint venture represents a 50% (unincorporated) participating interest in a gold exploration and exploitation concession in the Kyrgyz Republic. This investment is owned by a wholly-owned subsidiary, Golden Eagle Mining Pte Ltd. The exploration and mining licenses for this concession were issued on 22 January 2014 and are valid till 22 May 2019. The licenses may be extended for a further period of 20 years. The concession area is in Kuramator region and covers an area of 63.72 sq.km. This concession area was first explored in 1970 and 1986-87 by Soviet geologists and the historical exploration data indicates that the Kuramator concession contains 3.75 tonnes of gold. The State Agency for Geology and Mineral Resources under the Government of the Kyrgyz Republic had reported that the concession area contains 447 kilograms of recoverable alluvial gold. The 2015 work program, from April to September 2015 included geology mapping, drillings and samples collection and other geological works. A total of 500 grab samples have been collected and sent to the laboratory of the State Agency for Geology and Mineral Resources for analysis. The results is expected to be available by end 2015.

The Group's available-for-sale investments as at 30 September 2015 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$29.9 million as at 30 September 2015 from S$31.8 million as at 31 December 2014.

Current assets decreased to S$45.9 million as at 30 September 2015 from S$49.0 million as at 31 December 2014. The changes were due to:

- Investments held for trading decreased to S$6.1 million as at 30 September 2015 from S$7.1 million as at 31 December 2014. This was mainly due to (i) loss of approximately S$1.3 million, and (ii) purchase of investments held for trading of S$0.3 million during the period under review.

- Trade receivables of S$30.9 million represents the net receivable arising from the completion of a sale and purchase agreement to sell certain marketable securities to a counterparty. This receivables was due on 30 September 2015 and has been extended to 30 September 2016.

- Cash and cash equivalents decreased to S$3.1 million as at 30 September 2015, compared to S$5.2 million as at 31 December 2014.

- Assets classified as held for sale decreased to S$4.7 million as at 30 September 2015 from S$5.1 million as at 31 December 2014. This was mainly due to (i) disposal of assets held for sale and (ii) exchange rate translation difference.

There were no material change in inventories, derivative receivables and other assets, trade receivables, and other receivables and prepayments as at 30 September 2015, as compared to 31 December 2014.

There was no material change for non-current liabilities as at 30 September 2015, as compared to 31 December 2014. Non-current liabilities comprised mainly deferred tax liabilities. Deferred tax liabilities represent the estimated tax payable calculated on the difference between the carrying amount of the Group's investment properties and its costs.

Trade and other payables increased to S$8.8 million as at 30 September 2015, from S$2.9 million as at 31 December 2014. The increase was mainly due to closing of certain loss positions in derivative instruments.

Derivative payables and other liabilities decreased to S$4.5 million as at 30 September 2015, from S$9.5 million as at 31 December 2014. The decrease was mainly due to closing of certain loss positions in derivative instruments.

There was no material change for provision for directors' fees, and finance lease liabilities as at 30 September 2015, as compared to 31 December 2014.

Liabilities directly associated with assets classified as held for sale increased to S$2.8 million as at 30 September 2015, from S$2.7 million as at 31 December 2014. Liabilities directly associated with assets classified as held for sale arose as the Group had entered into an agreement to sell its CNG refilling station operating assets which is denominated in foreign currency. The increase was mainly due to exchange rate translation difference.

Therefore, as at 30 September 2015 current liabilities increased to S$16.4 million from S$15.3 million as at 31 December 2014.

As at 30 September 2015, the Group's current ratio was 2.8 times, as compared to 3.2 times as at 31 December 2014.

Total equity decreased to S$59.0 million as at 30 September 2015 from S$65.0 million as at 31 December 2014. The decrease was mainly due to the total comprehensive loss of S$6.7 million, partly offset by reserve of $0.7 million related to share awards and share options during the period under review.

Comments on Cashflow – Q3 2015 vs Q3 2014

Operating cash outflows before working capital changes in Q3 2015 were S$0.3 million. These outflows were partly financed by increase in trade and other payables of S$0.2 million, but offset by (i) increase of S$0.4 million in trade and other receivables and prepayments and (ii) purchase of investments held for trading of S$0.2 million. Net cash outflows arising from operating activities (after movement in working capital) was S$0.7 million.

Operating cash outflows before working capital changes in Q3 2014 were S$0.8 million. These outflows were partly financed by sale of S$0.3 million in investments held for trading. Net cash outflows arising from operating activities (after movement in working capital) was S$0.6 million.

Comments on Cashflow – 9M 2015 vs 9M 2014

Operating cash outflows before working capital changes in 9M 2015 were S$1.2 million. The operating cash outflows after working capital changes increased to S$2.1 million, mainly due to (i) increase of S$0.3 million in trade and other receivables and prepayments, (ii) purchase of investments held for trading of S$0.3 million, and (iii) decrease in trade and other payables of S$0.2 million.

Operating cash outflows before working capital changes in 9M 2014 were S$2.0 million. These outflows were partly financed by sale of investments held for trading of S$0.6 million and increase in trade and other payables of S$0.4 million. Net cash outflows arising from operating activities was $1.1 million. There was S$0.5 million proceeds arising from sale of investment property.

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

As at 30 September 2015, 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	-	10,495
Invest in investments held for trading	8,085	16,794
Total	**8,983**	**29,789**

The breakdown of usage for general working capital as at 30 September 2015 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$16.8 million from the 2013 share placement have been invested in investments held for trading 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.

Portfolio management in 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. It constantly evaluates opportunities for such investments. 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 has reviewed its investments and businesses, and had decided to dispose of its investment properties in Malaysia. The Group does not expect the disposal of its investment properties in Malaysia to have any significant impact on its financial results in 2015.

New investments and/or acquisitions

The Group continues to seek investment and acquisition opportunities, particularly in the areas of resources and renewables. The Group is actively looking for meaningful investments and acquisitions that can deliver consistent profits, cash flow, and growth potential.

The Group is constantly reviewing such investments and acquisitions opportunities.

On 27 February 2015, the Company had entered into an agreement with Aceford Limited and Mr. Liang Gaocheng to establish a Chinese Joint Venture Company ("CJV") in Shandong PRC to market and distribute clean diesel and gasoline. The CJV has not been established as the necessary licenses and permits for the contemplated activities of the CJV have not been procured by Mr Liang.

The Group is presently reviewing its China investments and business strategy and will update shareholders when a decision has been made.

On 22 September 2015, the Company had entered into a Joint Venture Agreement with Primeforth Renewable Energy Limited, to establish a microalgae cultivation and oil extraction project to be located in Singapore. The Company had been searching for a site for the project in Singapore and have extended the search for a suitable site to Malaysia, particularly in Johore. Upon securing a suitable site for the project and barring unforeseen delays in obtaining the necessary permits and approvals (if applicable), the Company expects the construction of the microalgae farm and ancillary facility to complete and be operational in six months. The project is capable of extracting up to 20 tonnes of microalgae oil a day.

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

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

Not applicable.

(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 year.

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 year.

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 Group's third quarter and nine months ended 30 September 2015 unaudited financial statements 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: 6 November 2015	**Date: 6 November 2015**

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: 6 November 2015