



INNOPAC HOLDINGS LIMITED

(Company Registration No. 197301788K)

Financial Statement & Dividend Announcement for the Full Year Ended 31 December 2014 (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			GROUP		
	12 months ended			Q4		
	31 Dec 2014 (Unaudited) S\$'000	31 Dec 2013 (Audited) S\$'000	+ / (-) %	1.10.2014 to 31.12.2014 S\$'000	1.10.2013 to 31.12.2013 S\$'000	+ / (-) %
Revenue	825	10,761	(92.3)	53	1,664	(96.8)
Cost of sales	(1,316)	(14,378)	(90.8)	(187)	(6,080)	(96.9)
Gross (loss)	(491)	(3,617)	(86.4)	(134)	(4,416)	(97.0)
Other operating (expenses)/income						
- Net (losses) / gains from investment trading activities	(9,966)	(62,933)	(84.2)	(1,501)	884	(269.8)
- Net Gain from derivative receivable	36,906	27,801	32.8	34,250	1,614	2022.1
- Net losses from derivative receivables and other assets	(2,301)	(12,236)	(81.2)	(440)	(133)	(230.8)
- Gains from disposal of investments in associates	-	2	(100.0)	-	-	-
Administrative expenses	(1,605)	(1,417)	13.3	(410)	(357)	14.8
Other expenses	(28,369)	(2,107)	1246.4	(27,516)	(338)	8040.8
Finance costs	(5)	(5)	-	(1)	(1)	(0.0)
Share of loss of associates (net of tax)	-	(2)	(100.0)	-	-	n.m
(Loss) / profit before income tax	(5,831)	(54,514)	89.3	4,248	(2,747)	254.6
Income tax	40	(21)	(290.5)	47	(21)	(323.8)
(Loss) / profit for the year	(5,791)	(54,535)	(89.4)	4,295	(2,768)	255.2
Other comprehensive income / loss, net of tax	-	-	-	-	-	-
(Loss) / profit for the year	(5,791)	(54,535)	(89.4)	4,295	(2,768)	255.2
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	67	246	(72.8)	182	35	420.0
Items that will not be reclassified subsequently to profit or loss:						
	-	-	-	-	-	-
Total comprehensive (loss) / profit for the year	(5,724)	(54,289)	(89.5)	4,477	(2,733)	263.8
(Loss) / profit attributable to:						
Owners of the Company	(5,405)	(54,535)	(90.1)	4,547	(2,768)	264.3
Non-controlling interests	(386)	-	n.m	(252)	-	n.m
Total comprehensive (loss) / income attributable to :						
Owners of the Company	(5,338)	(54,289)	(90.2)	4,729	(2,733)	273.0
Non-controlling interests	(386)	-	n.m	(252)	-	n.m

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	
	31 Dec 2014 (Unaudited) S\$'000	31 Dec 2013 (Audited) S\$'000	31 Dec 2014 (Unaudited) S\$'000	31 Dec 2013 (Audited) S\$'000
ASSETS				
Non-current Assets :				
Subsidiaries	-	-	24,504	24,504
Property, plant and equipment	144	902	32	34
Investment property	11,803	13,376	-	-
Land use rights	-	3,053	-	-
Goodwill	13,709	13,709	-	-
Available-for-sale investments	6,142	6,142	6,142	6,142
Total non-current assets	31,798	37,182	30,678	30,680
Current Assets :				
Inventories	9	13	-	-
Derivative receivables and other assets	10	20,723	2	20,629
Investments held for trading	7,066	12,478	6,330	6,257
Trade receivables	30,856	-	30,855	-
Other receivables and prepayments	743	1,318	1,726	1,972
Cash and cash equivalents	5,164	2,751	3,148	139
	43,848	37,283	42,061	28,997
Assets classified as held for sale	5,112	-	-	-
Total current assets	48,960	37,283	42,061	28,997
TOTAL ASSETS	80,758	74,465	72,739	59,677
LIABILITIES AND EQUITY				
Non-Current Liabilities :				
Finance lease liabilities	21	72	-	-
Deferred tax liabilities	428	468	-	-
Total non-current liabilities	449	540	-	-
Current Liabilities :				
Trade and other payables	2,889	3,675	8,365	8,220
Derivative payables and other liabilities	9,491	8,374	-	7
Provision for directors' fees	196	87	196	87
Finance lease liabilities	51	51	-	-
Liabilities directly associated with assets classified as held for sale	2,685	-	-	-
Total current liabilities	15,312	12,187	8,561	8,314
Equity :				
Share capital	121,571	112,588	121,571	112,588
Assets revaluation reserve	3,046	3,046	-	-
Share options reserve	546	546	546	546
Foreign currency translation reserve	848	781	-	-
Accumulated losses	(61,765)	(56,360)	(57,939)	(61,771)
Equity attributable to owners of the Company	64,246	60,601	64,178	51,363
Non-controlling interests	751	1,137	-	-
Total equity	64,997	61,738	64,178	51,363
TOTAL LIABILITIES AND EQUITY	80,758	74,465	72,739	59,677

1(b)(ii) Group Borrowings	GROUP		COMPANY	
	31 Dec 2014 (Unaudited) S\$'000	31 Dec 2013 Audited S\$'000	31 Dec 2014 (Unaudited) S\$'000	31 Dec 2013 Audited S\$'000
Amount repayable within one year	51	51	-	-
Amount repayable after one year	21	72	-	-

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	
	12 months ended		Q4	
	31 Dec 2014 S\$'000	31 Dec 2013 S\$'000	1.10.2014 to 31.12.2014 S\$'000	1.10.2013 to 31.12.2013 S\$'000
Cash flows from operating activities :				
(Loss) / profit before income tax	(5,831)	(54,514)	4,248	(36,466)
Adjustments for :				
Fair value loss on investments held for trading	9,966	62,933	1,501	(884)
Fair value loss on derivative investments	1,238	12,111	165	32,105
Fair value loss / (gain) on derivative receivables	(36,906)	(27,801)	(34,250)	(260)
Allowance for impairment loss on property, plant and equipment	22	-	48	-
Provision for doubtful trade receivable	26,653	-	26,653	-
Fair value loss / (gain) on investment property	442	(1)	464	(1)
Gain on disposal of associate	-	(2)	-	-
Loss on disposal of plant and equipment	4	-	4	-
Write off of inventories	2	10	2	2
Write off of property, plant and equipment	15	21	15	18
Write off of other debtor and deposits	213	13	9	13
Reversal of provision for doubtful other receivables	-	(118)	-	(13)
Depreciation of property, plant and equipment	271	99	65	24
Provision for unutilized leave	52	39	4	4
Provision for directors' fee	109	87	30	31
Trade and other creditors written back	-	(17)	-	(17)
Share of loss of associate	-	2	-	-
Finance costs	1,132	527	303	208
Operating cash flows before working capital changes	(2,618)	(6,611)	(739)	(5,236)
Inventories	(69)	(10)	(1)	(10)
Trade and other receivables and prepayments	(58,040)	(176)	(57,990)	(245)
Derivative receivables and other assets	57,507	(2,882)	57,508	118
Investments held for trading	(4,555)	(18,383)	(5,104)	609
Trade and other payables	832	(1,611)	510	(3,397)
Derivative payables and other liabilities	(1)	(162)	(1)	(162)
Cash used in operations	(6,944)	(29,835)	(5,817)	(8,323)
Interest paid	(5)	(5)	(1)	(1)
Net cash used in operating activities	(6,949)	(29,840)	(5,818)	(8,324)
Cash flows from investing activities :				
Purchase of property, plant and equipment	(74)	(52)	-	(9)
Proceed from disposal of plant and equipment	2	2	2	1
Proceed from disposal of investment property	502	-	-	-
Proceed from disposal of associate	-	4	-	-
Net cash inflow on acquisition of subsidiary	-	2,542	-	2,542
Net cash generated from investing activities	430	2,496	2	2,534
Cash flows from financing activities :				
Repayment of finance lease	(51)	(51)	(12)	(13)
Net proceeds from issuance of rights shares	8,983	29,789	8,983	-
Proceeds from exercise of share options	-	125	-	-
Net cash generated from / (used in) financing activities	8,932	29,863	8,971	(13)
Net increase / (decrease) in cash and cash equivalents	2,413	2,519	3,155	(5,803)
Cash and cash equivalents at the beginning of the year	2,751	232	2,009	8,554
Cash and cash equivalents at the end of the year	5,164	2,751	5,164	2,751

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 1.1.2014	112,588	546	781	(56,360)	3,046	60,601	1,137	61,738
Loss for the year	-	-	-	(5,405)	-	(5,405)	(386)	(5,791)
Other comprehensive income:								
Exchange differences on translating foreign operations	-	-	67	-	-	67	-	67
Total other comprehensive income for the year, net of tax	-	-	67	-	-	67	-	67
Total comprehensive loss for the year	-	-	67	(5,405)	-	(5,338)	(386)	(5,724)
Contributions by Owners								
- Proceeds from issuance of rights shares	9,316	-	-	-	-	9,316	-	9,316
- Share issue expenses	(333)	-	-	-	-	(333)	-	(333)
Balance as at 31.12.2014	121,571	546	848	(61,765)	3,046	64,246	751	64,997
Balance as at 1.1.2013	69,671	546	535	(1,977)	1,493	70,268	-*	70,268
Reversal of deferred tax Liabilities	-	-	-	(43)	-	(43)	-	(43)
Transfer of revaluation reserve to accumulated losses due to valuation of investment properties at fair value	-	-	-	140	(140)	-	-	-
Restated balance as at 1.1.2013	69,671	546	535	(1,880)	1,353	70,225	-	70,225
(Loss) for the year	-	-	-	(54,535)	-	(54,535)	-	(54,535)
Other comprehensive income:								
Exchange differences on translating foreign operations	-	-	246	-	5	251	-	251
Adjustment	-	-	-	55	1,688	1,743	-	1,743
Total other comprehensive income for the financial year, net of tax	-	-	246	55	1,693	1,994	-	1,994
Total comprehensive income/(loss) for the year	-	-	246	(54,480)	1,693	(52,541)	-	(52,541)
Contributions by Owners:								
Issue of ordinary shares related to:								
- Proceeds from issuance of placement shares	30,800	-	-	-	-	30,800	-	30,800
- Share issue expenses	(1,011)	-	-	-	-	(1,011)	-	(1,011)
- Issue of shares to acquire investment properties	3,103	-	-	-	-	3,103	-	3,103
- Issue of shares for acquisition of equity interest of subsidiary	9,900	-	-	-	-	9,900	-	9,900
- Exercise of share options	125	-	-	-	-	125	-	125
Additional non-controlling interests arising on acquisition of subsidiary	-	-	-	-	-	-	1,137	1,137
Balance as at 31.12.2013	112,588	546	781	(56,360)	3,046	60,601	1,137	61,738

* Below \$1,000. Applicable to two (2) subsidiaries

	Share capital S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
COMPANY				
Balance as at 1.1.2014	112,588	546	(61,771)	51,363
Profit for the financial year	-	-	3,832	3,832
Other comprehensive income for the financial year	-	-	-	-
Total comprehensive profit for the financial year	-	-	3,832	3,832
Contributions by owners:				
Issue of ordinary shares related to :				
- Proceeds from issuance of rights shares	9,316	-	-	9,316
- Share issue expenses	(333)	-	-	(333)
Balance as at 31.12.2014	121,571	546	(57,939)	64,178
COMPANY				
Balance as at 1.1.2013	69,671	546	(28,506)	41,711
Loss for the financial year	-	-	(33,265)	(33,265)
Other comprehensive income for the financial year	-	-	-	-
Total comprehensive loss for the financial year	-	-	(33,265)	(33,265)
Contributions by owners:				
Issue of ordinary shares related to :				
- Proceeds from issuance of placement shares	30,800	-	-	30,800
- Share issue expenses	(1,011)	-	-	(1,011)
- Acquisition of investment properties	3,103	-	-	3,103
- Acquisition of equity interest of subsidiary	9,900	-	-	9,900
- Exercise of share options	125	-	-	125
Balance as at 31.12.2013	112,588	546	(61,771)	51,363

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.

On 23 January 2014, a total of 68,300,000 share awards were granted to directors and employees of the Group under the Innopac Performance Share Scheme. The market price of the Company's shares on the date of grant was S\$0.024. The number of share awards granted to directors were:

1. Dato' Moehamad Izat Emir	12,000,000
2. Wong Chin Yong	40,000,000
3. Ong Kah Hock	12,000,000

The vesting of the share awards is subject to achievement of pre-determined performance targets over the performance period and or other terms and conditions being met. None of the shares awards have been vested at the date of this report.

On 11 November 2014, the Company allotted and issued 931,567,650 Rights Shares and 465,783,822 Warrants arising from the Rights cum Warrants Issue, approved by the Company's shareholders on 5 September 2014. Gross proceeds of approximately S\$9.0 million was raised. The 931,567,650 Rights Shares and 465,783,822 Warrants were listed, quoted and traded on the Main Board of the SGX-ST on 12 November 2014 and 13 November 2014, respectively. Following the allotment and issue of the Rights Shares, the total number of issued shares of the Company increased from 3,465,182,495 shares to 4,396,750,145 shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

GROUP / COMPANY	No. of shares
Balance as at 1 Jan 2014	3,465,182,495
Issue of ordinary shares relating to the issuance of rights shares	931,567,650
Balance as at 31 Dec 2014	4,396,750,145

Balance as at 1 Jan 2013	2,590,079,085
Issue of ordinary shares relating to:	
– acquisition of investment properties	320,103,410
– exercise of share options	5,000,000
– share placement	250,000,000
– acquisition of 81.82% of a subsidiary company	300,000,000
Balance as at 31 Dec 2013	3,465,182,495

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

There was no treasury share in issue during the year under review and its previous corresponding year.

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, except for those as disclosed under paragraph 5.

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 year reported as in the last audited financial statements, as well as all the applicable new/revised/amended Financial Reporting Standards ("FRS") which became effective for the financial year beginning on or after 1 January 2014, namely as follows:

Description	Effective for annual period beginning on or after
FRS 27 (Revised) Separate Financial Statements	1 January 2014
FRS 28 (Revised) Investments in Associates and Joint Ventures	1 January 2014
Amendments to FRS 36 Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 111 Joint Arrangements	1 January 2014
FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendment to FRS 24 Related Party Disclosures	1 July 2014
Improvements to FRS 108 Operating Segments	1 July 2014

The adoption of these new and revised FRS has no material effect for the current financial year.

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	
	31 Dec 2014 Cents	31 Dec 2013 Cents
(Losses) per ordinary share based on		
(i) weighted average number of ordinary shares on issue	(0.16)	(1.82)
(ii) a fully diluted basis	(0.16)	(1.82)

Losses per ordinary share is calculated based on the weighted average number of shares of 3,595,346,742 (2013: 2,997,908,071) in issue during the year. The fully diluted losses per ordinary share is calculated based on the weighted average number of shares of 3,595,346,742 (2013: 2,999,825,879) in issue during the year. 68,300,000 shares awards granted in 2014 (2013: nil) and 465,783,822 warrants issued in 2014 (2013: nil) have been excluded from the diluted weighted-average number of ordinary shares calculation. Their effect is 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 Dec 2014 Cents	31 Dec 2013 Cents	31 Dec 2014 Cents	31 Dec 2013 Cents
Net asset value per ordinary share based on existing issued share capital	1.48	1.78	1.46	1.48

Computation of net asset value per ordinary share is based on 4,396,750,145 issued ordinary shares at the end of the year under review (2013: 3,465,182,495 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.**

Review of the Group's Performance

Group revenue decreased to S\$0.05 million for the quarter ended 31 December 2014 ("Q4 14"), from S\$1.7 million in Q4 13. The Group sold an insignificant amount of marketable securities in Q4 14.

Group revenue decreased to S\$0.8 million for the financial year ended 31 December 2014 ("FY2014") as compared to S\$10.8 million in the previous corresponding period in FY2013. The Group sold an insignificant amount of marketable securities in FY2014.

Business segments	Location	FY2014 S\$'000	FY2013 S\$'000	Variance %
Investment trading	Singapore	336	10,753	(96.9)
Products trading	Other Asian countries	489	8	6012.5
Total Revenue		825	10,761	(92.3)

The Group realised a gross loss of S\$0.1 million in Q4 14, compared to a gross loss of S\$4.4 million in Q4 2013. For FY2014, gross loss was lower at S\$0.5 million, down from S\$3.6 million in FY2013. The loss was due mainly to the Group's investment trading activities.

Unrealised losses from investment trading activities due mainly to the Group's investments in marketable securities was S\$1.5 million in Q4 14, compared to an unrealised gain of S\$0.9 million in Q4 13. Net losses from investment trading activities narrowed to S\$10.0 million in FY2014 from S\$62.9 million in FY2013. The net losses from investment trading activities was due mainly 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.

The Group realised a gain from derivative receivable of S\$34.3 million for Q4 14, as compared to an unrealised gain from derivative receivable of S\$1.6 million for Q4 13. These fair value gains reflect the change in market value of the underlying assets. For FY2014, the Group realised a gain from derivative receivable of S\$36.9 million, as compared to an unrealised gain from derivative receivable of S\$27.8 million in FY2013. The unrealised gain from derivative receivable in FY2013 was due to the Sale and Purchase Agreement dated 7 September 2013 ("S&P Agreement") entered into by the Group, wherein the Group had agreed to sell certain marketable securities ("Securities") for a total consideration of S\$65,460,000. The proposed transaction was not completed by 31 December 2013. Subsequently, a Variation Agreement to the S&P Agreement was entered on 25 March 2014 to extend the completion date to 31 December 2014. The transaction for the Securities was completed and reflected in the financial statements in FY2014.

Unrealised losses from derivative receivables and other assets increased to S\$0.4 million in Q4 14, compared to unrealised losses of S\$0.1 million in Q4 2013. For FY2014, losses from derivative receivables and other assets narrowed to S\$2.3 million from losses of S\$12.2 million in FY2013. Net losses from derivative receivables and other assets 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.

There was no material change for administrative expenses of S\$0.4 million in Q4 14 as compared to Q4 13. Administrative expenses increased marginally from S\$1.4 million in FY2013 to S\$1.6 million in FY2014.

Other expenses increased from S\$0.3 million in Q4 13 to S\$27.5 million in Q4 2014. It increased to S\$28.4 million in FY2014 from S\$2.1 million in FY2013. The increase was mainly due to a provision of S\$26.7 million in respect of trade receivable

The Group reversed from a loss of S\$2.7 million in Q4 13 to record profit before income tax of S\$4.2 million in Q4 14. Overall, the Group narrowed its loss before tax by 89.3% from a loss of S\$54.5 million in FY2013 to a loss of S\$5.8 million in FY2014. This was mainly attributed to the decrease in losses from the Group's investment trading activities.

Group net profit attributable to equity holders in Q4 14 was S\$4.5 million, reversed from a net loss of S\$2.7 million in Q4 13. For FY2014, the net loss attributable to equity holders was reduced from S\$54.3 million in FY2013 to S\$5.7 million.

Losses from different segments in which the Group operates is as follows.

Business segments	Location	2014 S\$'000	2013 S\$'000	%
Investment trading	Singapore	(3,720)	(58,969)	(93.7)
Products trading	Other Asian countries	(807)	(394)	104.8
Investment holding	Singapore	(472)	(26,123)	98.2
Investment holding	Other Asian countries	(827)	30,977	(102.7)
LOSSES		(5,826)	(54,509)	(89.3)

Review of the Group's Financial Position

Non-current assets decreased to S\$31.8 million as at 31 December 2014 from S\$37.2 million as at 31 December 2013. The decrease was mainly due to the Group's decision to sell its property, plant and equipment and land use rights.

Property, plant and equipment decreased to S\$0.1 million as at 31 December 2014 from S\$0.9 million as at 31 December 2013. The decrease was mainly due to the Group's decision to sell its property, plant and equipment.

Investment property comprises residential and commercial properties which are held for income and capital gain, decreased to S\$11.8 million as at 31 December 2014 from S\$13.4 million as at 31 December 2013. The decrease was mainly due to the disposal of one of its investment properties, reclassification of one of its investment properties to assets held for sale, and the fair value change of investment properties of the Group.

Land use rights decreased from S\$3.1 million to nil, as the Group has decided to dispose of its interest in land use rights.

Goodwill of S\$13.7 million arose from the acquisition of an 81.82% equity interest in Extera in 2013, resulting in Extera becoming a subsidiary of the Company. The Company recognised the excess of the value of the purchase consideration over the fair value of its net identifiable assets on completion of the acquisition as goodwill.

The Group's available-for-sale investments as at 31 December 2014 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 as at 31 December 2014.

Current assets increased from S\$37.3 million as at 31 December 2013 to S\$49.0 million as at 31 December 2014. The changes were due to:

- Derivative receivables and other assets decreased to S\$0.01 million as at 31 December 2014 from S\$20.7 million as at 31 December 2013. The decrease was mainly due to completion of the S&P Agreement in 2014.
- Investments held for trading decreased to S\$7.1 million as at 31 December 2014 from S\$12.5 million as at 31 December 2013. This was mainly due to fair value loss of approximately S\$10.0 million and net purchase of investments held for trading of S\$4.6 million.
- Trade receivables increased to S\$30.9 million as at 31 December 2014 due mainly to the reclassification of the net receivable arising from the completion of the S&P Agreement.
- Other receivables and prepayments was S\$0.7 million as at 31 December 2014, compared to S\$1.3 million as at 31 December 2013.
- Cash and cash equivalents increased to S\$5.2 million as at 31 December 2014, compared to S\$2.8 million as at 31 December 2013.
- Assets classified as held for sale arose as the Group had decided to sell its CNG refilling station operating assets, and reclassification of one of its investment properties as assets classified as held for sale.

Non-current liabilities as at 31 December 2014, decreased to S\$0.4 million from S\$0.5 million as at 31 December 2013, are comprised mainly of 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. The Group deems that the future recovery of the carrying amount of the investment properties will result in a taxable flow of economic benefits to the Group and the amount that will be deductible for tax purposes will differ from the amount of the economic benefits. A deferred tax liability is computed in respect of the revaluation surplus at the tax rate of the country in which the subsidiary concerned is domiciled. Any actual tax liability will crystallise upon disposal of the revalued asset.

Current liabilities as at 31 December 2014 increased to S\$15.3 million from S\$12.2 million as at 31 December 2013. The changes were due to:

- Trade and other payables decreased to S\$2.9 million as at 31 December 2014 from S\$3.7 million as at 31 December 2013. This was mainly due to the reclassification of liabilities related to the land use rights of the Group of approximately S\$2.2 million, which was partially offset by the increase in payables for finance charges incurred during the year related to the derivative trading accounts of the Group of approximately S\$1.1 million.
- Derivatives payables and other liabilities increased to S\$9.5 million as at 31 December 2014 from S\$8.4 million as at 31 December 2013. The increase was mainly due to fair value loss.

- 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.

As at 31 December 2014, the Group's current ratio was 3.2 times, as compared to 3.1 times as at 31 December 2013.

Total equity increased to S\$65.0 million as at 31 December 2014 from S\$61.7 million as at 31 December 2013. The increase was mainly due to the proceeds of S\$9.0 million arising from the issuance of the rights shares, and the loss of S\$5.8 million incurred during the year.

Review of the Group's Cashflow

Operating cash outflows before working capital changes in FY2014 were S\$2.6 million. Net cash outflows arising from operating activities (after movement in working capital) was S\$6.9 million. There were proceeds of S\$9.0 million from the Group's rights issue completed during the year. Operating cash outflows before working capital changes during Q4 2014 were S\$0.7 million. Net cash outflows arising from operating activities (after movement in working capital) was S\$5.8 million. There were proceeds of S\$9.0 million from the Group's Rights cum Warrants issue completed during the year.

Operating cash outflows before working capital changes in 2013 were S\$6.6 million. Net cash outflows arising from operating activities (after movement in working capital) was S\$29.8 million. There were proceeds of S\$29.8 million from placement of shares. Operating cash outflows before working capital changes during Q4 2013 were S\$5.2 million. Net cash outflows arising from operating activities (after movement in working capital) was S\$8.3 million. These outflows were partly financed by cash inflow of S\$2.5 million arising from the Group's acquisition of a subsidiary during the year.

As at 31 December 2014, the use of proceeds of the 2014 rights issue and the 2013 share placement areas follows.

	2014 Rights Issue S\$'000	2013 Share Placement S\$'000
General working capital	-	2,514
Business expansion	-	8,438
Investments in investments held for trade	8,983	18,837
Total	8,983	29,789

The breakdown of usage for general working capital as at 31 December 2014 as follows.

Payroll and employee expenses	-	1,307
General administrative and service expenses	-	1,100
Listing expenses and corporate matter expenses	-	107
General working capital	-	2,514

The proceeds have been utilised in accordance with the stated purposes of the Rights cum Warrants Issue and Placement.

The Company will provide further updates on the use of the proceeds from the Rights cum Warrants Issue and 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.

Not applicable.

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 has 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 position.

Technology and trading

The Group's wholly owned subsidiary, PG Communications Sdn Bhd ("PGSB"), provides energy-saving and smart technology solutions and the trading of such products. Due to the lacklustre performance of this business, the Group has decided to discontinue the operations of PGSB.

New investments and/or acquisitions

The Group continues to seek investment and acquisition opportunities, particularly in the natural resources sector. The Group is actively looking for meaningful investments and acquisitions that can deliver consistent profits and cashflow as well as growth potential. The Group is currently reviewing and in negotiations to pursue such investments and acquisitions. However, there is no assurance that a successful investment or acquisition will materialise thereof.

The Group will comply with the SGX-ST listing rules and in particular rule 703, regarding the disclosure of material information and will keep shareholders updated if such negotiations do result in an investment or acquisition.

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. Segment information

Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) Analysis by business segment

	<u>Products trading S\$'000</u>	<u>Investment trading S\$'000</u>	<u>Investment holding S\$'000</u>	<u>Total S\$'000</u>
Group 2014				
Segment revenue	489	336	-	825
Segment results	(807)	(3,720)	(1,299)	(5,826)
Finance cost				(5)
Income tax				40
Loss for the financial year				(5,791)
Segment assets	10,450	38,077	32,232	80,758
Segment liabilities	(3,145)	(10,990)	(1,198)	(15,333)
Deferred tax liabilities				(428)
Total liabilities				(15,761)
Other information				
Capital expenditure	70	-	4	74
Depreciation of property, plant and equipment	188	77	6	271
Group 2013				
Segment revenue	8	10,753	-	10,761
Segment results	(394)	(58,969)	4,854	(54,509)
Finance cost				(5)
Income tax				(21)
Loss for the financial year				(54,535)
Segment assets	99	36,054	38,312	74,465
Segment liabilities	(13)	(11,417)	(829)	(12,259)
Deferred tax liabilities				(468)
Total liabilities				(12,727)
Other information				
Capital expenditure	36	-	16	52
Depreciation of property, plant and equipment	19	77	3	99

(b) *Analysis by geographical segment*

Segment revenue: Segment revenue is analysed based on the location of customers regardless of where the goods are produced.

Segment assets and capital expenditure: Segment assets and capital expenditure are analysed based on the location of those assets. Capital expenditure includes the total cost incurred to acquire property, plant and equipment, and intangible assets.

	Group	
	2014 S\$'000	2013 S\$'000
Segment revenue by geographical market:		
Singapore	336	10,753
Other Asian countries	489	8
Total	825	10,761
Segment assets by geographical location:		
Singapore	42,005	39,540
United States of America	4,600	4,600
Other Asian countries	34,059	29,545
Europe	95	780
Total	80,758	74,465
Segment capital expenditure by geographical location:		
Singapore	4	16
Other Asian countries	70	36
Total	74	52

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to section 8 above.

16. **A breakdown of sales as follows:-**

	GROUP		
	Latest Financial Year S\$'000	Previous Financial Year S\$'000	% increase/ (decrease)
(a) Sales reported for first half year	441	6,054	(92.7%)
(b) Operating (loss)/profit after tax before deducting minority interests reported for first half year	(6,682)	5,491	(221.7%)
(c) Sales reported for second half year	384	4,707	(91.8)%
(d) Operating profit/(loss) after tax before deducting minority interests reported for second half year	891	(60,026)	101.48%

17. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

- (a) Ordinary
- (b) Preference
- (c) Total

Not applicable

- 18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the SGX Listing Manual, the Company wishes to confirm that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

- 19. 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 year 2014 unaudited financial results to be false or misleading in any material aspect.

On behalf of the Board of Directors

Wong Chin Yong
Director

Date: 27 February 2015

Ong Kah Hock
Director

Date: 27 February 2015

By order of the Board

Stanley Chu Kam Po
Company Secretary

Date: 27 February 2015