INNOPAC HOLDINGS LIMITED
(Company Registration No. 197301788K)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

INTRODUCTION

Innopac Holdings Limited (the "Company") was placed on the financial criteria watch-List pursuant to Rule 1311(1) of the Listing Manual (the "Listing Manual") of the Singapore Exchange Securities Trading Limited (the "SGX-ST") with effect from 3 June 2016. The Company will have to meet the requirements under Listing Rule 1314(1) within 36 months from 3 June 2016, failing which the SGX-ST would delist the Company or suspend trading in the Company's shares with a view to delisting the Company. Listing Rule 1314(1) states that an issuer on the Watch-List may apply to the SGX-ST for its removal from the Watch-List if it records consolidated pre-tax profit for the most recently completed financial year (based on the latest full year consolidated audited accounts) and has an average daily market capitalisation of S$40 million or more over the last 6 months.

The Company was also placed on the minimum trading price criterion watch-List pursuant to Rule 1311(2) of the Listing Manual with effect from 5 June 2017. The Company will have to meet the requirements under Listing Rule 1314(2) within 36 months from 5 June 2017, failing which SGX-ST would delist the Company or suspend trading in the Company's shares with a view to delisting the Company. Listing Rule 1314(2) states that the Company will be assessed by SGX-ST for removal from the watch-list if it records volume-weighted average price of at least S$0.20 and an average daily market capitalisation of S$40 million or more over the last 6 months.

Rule 1313(2) of the Listing Manual, requires the Company to provide quarterly updates on its efforts and the progress made in meeting the exit criteria of the watch-List, including where applicable its financial situation, its future direction, or other material development that may have a significant impact on its financial position.

The Board of Directors of the Company wishes to provide its Third Quarter 2017 (Q3 2017) update to its shareholders and investors as follows:

UNAUDITED FINANCIAL PERFORMANCE AND FINANCIAL POSITION

The Company had released the unaudited results for Q3 2017 for the Company and the Group on 10 November 2017. Full details can be found on the SGX-ST and the Company's websites.

The Company wishes to highlight that the Group's loss was S$0.4 million in Q3 2017 (Q3 2016: loss of S$0.5 million). Loss per share was 0.00 cent in Q3 2017 (0.01 cent in Q3 2016).

The Company wishes to highlight that as at 30 September 2017, the Group and the Company had a net current liability of about S$5.6 million and S$0.8 million respectively. The Group's net current liability position of S$5.6 million is primarily due to about S$12.3 million of trade and other payables to a financial institution incurred by two of the Group's subsidiaries. The Management is currently in discussion with this financial institution on the resolution of this payable and also evaluating other solutions.

The Company is of the opinion that the Group is not in a net current liability position as S$12.3 million of trade and other payables are more than 4 years old liabilities of two of the Group subsidiaries, where the creditor has not made any demand for settlement or otherwise.

RIGHTS ISSUE

On 28 June 2017, the Company announced a renounceable non-underwritten Rights Issue of up to 5,048,033,967 new ordinary shares in the capital of the Company at an issue price of S$0.0008 for each Rights Share on the basis of one (1) Rights Share for every one (1) existing ordinary share in the capital of the Company. The Company had also on 28 July 2017 announced that adjustment shall be made to the Company's 2014 Warrants as a result of the Rights Issue. Details of both announcements can be found on the Singapore Exchange Securities Trading Limited ("SGX-ST") website.

The Company had submitted an application to the SGX-ST on 28 July 2017 for the additional listing of and quotation for the additional number of the 2014 Warrants and for the Rights Shares on the Mainboard of the SGX-ST ("ALA").

On 17 October 2017, the Company received a letter from the SGX-ST rejecting the Company's ALA. The SGX-ST had rejected the Company's ALA "*as the theoretical share price post Proposed Rights Issue and the theoretical share price of the nil-paid rights are less than the minimum trading price of S$0.001. Shareholders who do not take up their rights entitlements will suffer significant dilution in shareholding percentage and financially and will not have the ability to monetize their entitlements through the trading of nil-paid rights*."

Consequently, the Rights Issue was terminated on 17 October 2017.

FUTURE DIRECTIONS

The Company is an investment and investments holding company, with the objective of building a portfolio of businesses and investments that can deliver consistent profits and cash flow as well as growth potential. The Company currently is focusing on environmentally-friendly and green technologies, alternative and renewable energy, and natural resources businesses.

The Company has two (2) main investments, namely a Gold Exploration and Exploitation JV in the Kyrgyz Republic and a Recovered Carbon Black JV to be located in Malaysia.

(1) Gold exploration and exploitation Joint Venture

The Company through its wholly-owned subsidiary, Golden Eagle Mining Pte Ltd, has a 50% equity interest in Artel Trade LLC ("Artel"), a Kyrgyz company which has a 63.72 sq. km. gold exploration and exploitation concession in the Kyrgyz Republic. The work program for 2017 has been revised to analysis of existing data of the concession and field work will be deferred to 2018.

(2) Recovered Carbon Black Joint Venture

The Company has 50% equity interest in Superior Carbontech & Solutions Sdn Bhd, a joint venture company with RC Carbon Sdn Bhd, to set up a Recovered Carbon Black ("rCB") production facility to produce rCB from waste, end-of-life tyres char, and provide waste management and recycling solutions, engineering procurement construction and project management services, with the primary focus on recovery of valuable by-products and generation of renewable energy through a joint-venture company in Malaysia. The Group has decided not to proceed with the project as the necessary financing and environmental approvals have not been obtained. Notice to terminate the joint-venture has been given to the JV partner.

The Company announced on 15 June 2017 that Awana Rentak Sdn Bhd ("Awana").a wholly owned subsidiary of the Company, had entered into a Memorandum of Understanding with the Mr Low Hyon Young, the Vendor, to acquire up to 75% of the issued share capital in Dongwoo Bioenergy Sdn Bhd, which was in the business of production of wood waste pellets from sawdust for biomass power plants. Awana had completed its due diligence process and had decided not proceed with the proposed investment.

At a Board of Directors meeting of the Company held on 9 November 2017, it was reaffirmed to dispose of it its investment properties in Malaysia, JV in China, the Sawyer Falls property rights in USA and the microalgae cultivation JV and to seek new investments opportunities. In November 2017, the Group sold an investment property, an apartment unit in Cendana, Kuala Lumpur, Malaysia for RM2.5 million.

Words of caution

Whilst the Company expects investments and business conditions to remain difficult and challenging, it is optimistic that the Company's plans and strategy will lead it out of the SGX's watch-lists.

The Company continues to receive reverse takeover proposals which were rejected by the Company. One of reasons for their rejection is the valuation ascribed to the Group based on the Company's share price, which is below the Group's NAV.

The Company is also currently evaluating several investments opportunities that could generate near term cash flow and contribute profitability to the Group.

The Company's views on future directions are based on numerous assumptions regarding the Company's present and future business strategies and the future environment in which the Group will operate. These views necessarily involve risks, uncertainties and assumptions. Actual performance can differ materially from the Company's views on future directions and macro trends.

By order of the Board
INNOPAC HOLDINGS LIMITED

Wong Chin Yong
Chairman & CEO

30 November 2017