INNOPAC HOLDINGS LIMITED
(Company Registration Number 197301788K)
(Incorporated in the Republic of Singapore)

REPLY TO SGX'S QUERY ON THE COMPANY'S THIRD QUARTER RESULTS FOR FY2014 ("3Q2014") ANNOUNCED ON 14 NOV 2014.

The Company refers to SGX's query dated 19 December 2014 on its third quarter results for FY2014 ("3Q2014"), and would like to reply as follows:

SGX Query:

In the Income Statement, "Net losses from investment trading activities", "Fair value gain on derivative receivables" and "Net losses from derivative receivables and other assets" amounted to S$2.81 million, S$0.99 million and S$0.57 million respectively.

Please provide explanations for material changes on the above items.

Reply:

Net losses from investment trading activities arose mainly from the unrealised losses of the Company's investments in marketable securities.

Fair value gain on derivative receivables arose mainly from the unrealised gain of the Company's sale and purchase agreement with a purchaser of marketable securities.

Net losses from derivative receivables and other assets arose mainly from the unrealised losses from the Company's investments in derivatives. These losses reflects the change in market value of the underlying assets.

The material changes on the above items result from the market prices movement of marketable securities and derivatives.

By Order of the Board
Innopac Holdings Limited

Stanley Chu
Company Secretary
22 December 2014