INNOPAC HOLDINGS LIMITED

(Company Registration No. 197301788K)

Financial Statement & Dividend Announcement for the 9 months and the third quarter ended 30 September 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		
	9 months ended			Q3		
	30 Sep 2014	30 Sep 2013		1.7.2014 to 30.9.2014	1.7.2013 to 30.9.2013	
	S$'000	S$'000	+/(-) %	S$'000	S$'000	+/(-) %
Revenue	772	9,097	(91.5)	331	3,043	(89.1)
Cost of sales	(1,129)	(8,298)	(86.4)	(523)	(2,379)	(78.1)
Gross (loss)/profit	**(357)**	**799**	**(144.7)**	**(192)**	**664**	**(128.9)**
Other operating (expenses) / income						
-Net losses from investment trading activities	(8,465)	(63,817)	86.7	(2,812)	(70,701)	96.0
-Fair value gain on derivative receivables	2,656	59,906	(95.6)	990	59,906	(98.3)
-Net losses from derivative receivables and other assets	(1,861)	(12,103)	84.6	(573)	(12,672)	95.5
-Gains from disposal of investments in associates	-	2	(100.0)	-	2	(100.0)
Administrative expenses	(1,195)	(1,060)	12.7	(418)	(318)	31.4
Other expenses	(853)	(1,769)	(51.8)	(483)	(419)	15.3
Finance costs	(4)	(4)	-	-	(1)	(100)
Share of loss of associates (net of tax)	-	(2)	(100.0)	(2)	-	n.m
Loss before income tax	**(10,079)**	**(18,048)**	**44.20**	**(3,490)**	**(23,539)**	**85.2**
Income tax expenses	(7)	-	n.m	-	-	
Loss for the period	**(10,086)**	**(18,048)**	**44.10**	**(3,490)**	**(23,539)**	**85.2**
Other comprehensive (loss) / income, net of tax						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	(115)	211	(154.5)	23	241	(90.5)
Items that will not be reclassified subsequently to profit or loss:						
Total comprehensive loss for the period	**(10,201)**	**(17,837)**	**42.8**	**(3,467)**	**(23,298)**	**85.1**
Loss attributable to:						
Owners of the Company	(9,952)	(18,048)	44.9.	(3,408)	(23,539)	85.5
Non-controlling interests	(134)	-	n.m	(82)	-	n.m
Total comprehensive (loss) attributable to :						
Owners of the Company	(10,067)	(17,837)	43.6	(3,385)	(23,298)	85.5
Non-controlling interests	(134)	-	n.m	(82)	-	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	
	30 Sep 2014 S$'000	31 Dec 2013 S$'000	30 Sep 2014 S$'000	31 Dec 2013 S$'000
ASSETS				
Non-current Assets :				
Subsidiaries	-	-	24,504	24,504
Property, plant and equipment	781	902	34	34
Investment property	12,873	13,376	-	-
Land use rights	3,053	3,053	-	-
Goodwill	13,709	13,709	-	-
Available-for-sale investments	6,142	6,142	6,142	6,142
Total non-current assets	36,558	37,182	30,680	30,680
Current Assets :				
Inventories	81	13	-	-
Derivative receivables and other assets	23,288	20,723	23,265	20,629
Investments held for trading	3,463	12,478	1,960	6,257
Trade receivables	2	-	-	-
Other receivables and prepayments	1,161	1,318	1,757	1,972
Cash and cash equivalents	2,009	2,751	40	139
Total current assets	30,004	37,283	27,022	28,997
TOTAL ASSETS	**66,562**	**74,465**	**57,702**	**59,677**
LIABILITIES AND EQUITY				
Non-Current Liabilities :				
Finance lease liabilities	33	72	-	-
Deferred tax liabilities	475	468	-	-
Total non-current liabilities	508	540	-	-
Current Liabilities :				
Trade and other payables	4,950	3,675	8,579	8,220
Derivative payables & other liabilities	9,350	8,374	4	7
Provision for directors' fees	166	87	166	87
Finance lease liabilities	51	51	-	-
Total current liabilities	14,517	12,187	8,749	8,314
Equity :				
Share capital	112,588	112,588	112,588	112,588
Assets revaluation reserve	3,046	3,046	-	-
Share options reserve	546	546	546	546
Foreign currency translation reserve	666	781	-	-
Accumulated losses	(66,312)	(56,360)	(64,181)	(61,771)
Equity attributable to owners of the Company	50,534	60,601	48,953	51,363
Non-controlling interests	1,003	1,137	-	-
Total equity	51,537	61,738	48,953	51,363
TOTAL LIABILITIES AND EQUITY	**66,562**	**74,465**	**57,702**	**59,677**

1(b)(ii) Group Borrowings	GROUP		COMPANY	
	30 Sep 2014 S$'000	31 Dec 2013 S$'000	30 Sep 2014 S$'000	31 Dec 2013 S$'000
Amount repayable within one year	51	51	-	-
Amount repayable after one year	33	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	
	9 months ended		Q3	
	30 Sep 2014 S$'000	30 Sep 2013 S$'000	1.7.2014 to 30.09.2014 S$'000	1.7.2013 to 30.9.2013 S$'000
Cash flows from operating activities :				
Loss before income tax	(10,079)	(18,048)	(3,490)	(23,539)
Adjustments for :				
Fair value loss on investments held for trading	8,465	63,817	2,812	70,701
Fair value loss on derivative investments	1,072	12,371	300	13,073
Fair value gain on derivative receivables	(2,656)	(59,906)	(990)	(59,906)
(Written back of) and allowance for impairment loss on property, plant and equipment	(26)	-	52	-
Fair value gain on investment property	(22)	-	-	-
Gain on disposal of associate	-	(2)	-	(2)
Gain on disposal of plant and equipment	-	(1)	-	(1)
Write off of inventories	-	8	-	-
Write off of property, plant and equipment	-	3	-	-
Write off of / (Reversal of provision for) doubtful trade and other receivables	204	(105)	204	13
Depreciation of property, plant & equipment	206	75	69	25
Provision for unutilized leave	48	35	17	14
Provision for directors' fee	79	56	22	19
Share of loss of associate	-	2	-	-
Finance costs	829	319	285	131
Operating cash flow before working capital changes	(1,880)	(1,376)	(719)	528
Inventories	(68)	-	(71)	-
Trade and other receivables & prepayments	(50)	70	(53)	-
Derivative receivables and other assets	-	(2,759)	-	(2,774)
Investments held for trading	550	(18,992)	312	(21,141)
Trade and other payables	321	1,786	(36)	2,351
Derivative payables and other liabilities	-	(241)	-	(241)
Cash used in operations	(1,127)	(21,512)	(567)	(21,277)
Interest paid	(4)	(4)	(2)	(1)
Net cash used in operating activities	(1,131)	(21,516)	(569)	(21,278)
Cash flows from investing activities :				
Purchase of property, plant and equipment	(74)	(43)	(58)	(27)
Proceed from disposal of plant & equipment	-	1	-	1
Proceed from disposal of investment property	502	-	502	-
Proceed from disposal of associate	-	4	-	4
Net cash generated from / (used in) investing activities	428	(38)	444	(22)
Cash flows from financing activities :				
Repayment of finance lease	(39)	(38)	(13)	(11)
Net Proceeds from placement of shares	-	29,789	-	29,789
Proceeds from exercise of share options	-	125	-	-
Net cash (used in)/ generated from financing activities	(39)	29,876	(13)	29,778
Net (decrease) / increase in cash and cash equivalents	(742)	8,322	(138)	8,478
Cash and cash equivalents at the beginning of the period	2,751	232	2,147	76
Cash and cash equivalents at the end of the period	2,009	8,554	2,009	8,554

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$'000	Accumulated profit/ (losses) S$'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 *a*t 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 income:								
Exchange differences on translating foreign operations	-	-	(115)	-	-	(115)	-	(115)
Total other comprehensive income for the period, net of tax	-	-	(115)	-	-	(115)	-	(115)
Total comprehensive Loss for the period	-	-	(115)	(9,952)	-	(10,067)	(134)	(10,201)
Contributions by Owners:								
Balance as at 30.09.2014	**112,588**	**546**	**666**	**(66,312)**	**3,046**	**50,534**	**1,003**	**51,537**
Balance as *a*t 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 1.1.2013	**69,671**	**546**	**535**	**(1,880)**	**1,353**	**70,225**	**-**	**70,225**
(Loss) for the period	-	-	-	(18,048)	-	(18,048)	-	(18,048)
Other comprehensive income:								
Exchange differences on translating foreign operations	-	-	211	-	5	216	-	216
Adjustment	-	-	1	54	1,688	1,743	-	1,743
Total other comprehensive income for the financial period, net of tax	-	-	212	54	1,693	1,959	-	1,959
Total comprehensive income for the period	-	-	212	(17,994)	1,693	(16,089)	-	(16,089)
Contributions by Owners:								
Issue of ordinary shares related to:								
-Exercise of share options	125	-	-	-	-	125	-	125
-Issue of shares to acquire investment properties	3,103	-	-	-	-	3,103	-	3,103
- Proceeds from issuance of placement shares	30,800	-	-	-	-	30,800	-	30,800
- Share issue expenses	(1,011)	-	-	-	-	(1,011)	-	(1,011)
Balance as at 30.9.2013	**102,688**	**546**	**747**	**(19,874)**	**3,046**	**87,153**	**-**	**87,153**

* 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**
(Loss) for the financial period	-	-	(2,410)	(2,410)
Other comprehensive (loss) / profit for the financial period	-	-	-	-
Total comprehensive (loss) / profit for the financial period	-	-	(2,410)	(2,410)
Balance as at 30.09.2014	**112,588**	**546**	**(64,181)**	**48,953**
COMPANY				
Balance as at 1.1.2013	**69,671**	**546**	**(28,506)**	**41,711**
Profit for the financial period	-	-	26,378	26,378
Other comprehensive profit for the financial period	-	-	-	-
Total comprehensive profit for the financial period	-	-	26,378	26,378
Contributions by owners:				
Issue of ordinary shares related to :				
- Acquisition of investment properties	3,103	-	-	3,103
- Proceeds from issuance of placement shares	30,800	-	-	30,800
- Share issue expenses	(1,011)	-	-	(1,011)
- Exercise of share options	125	-	-	125
Balance as at 30.09.2013	**102,688**	**546**	**(2,128)**	**101,106**

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 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.

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 and as at 30 Sep 2014	3,465,182,495
Balance as at 1 Jan 2013	2,590,079,085
Issue of ordinary shares relating to:	
– share based payment on 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 period under review and its previous 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, 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 period 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

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

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	
	30 Sep 2014 Cents	**30 Sep 2013 Cents**
(Losses) per ordinary share based on net profit attributable to shareholders calculated on :		
(i) weighted average number of ordinary shares on issue	(0.29)	(0.61)
(ii) a fully diluted basis	(0.29)	(0.61)

Losses per ordinary share is calculated based on the weighted average number of shares of 3,465,182,495 (2013: 2,934,943,796) in issue during the period.

The fully diluted losses per ordinary share is calculated based on the weighted average number of shares of 3,533,482,495 (2013: 2,937,507,899) in issue during the period.

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 2014 Cents	31 Dec 2013 Cents	30 Sep 2014 Cents	31 Dec 2013 Cents
Net asset value per ordinary share based on existing issued share capital	1.49	1.78	1.41	1.48

Computation of net asset value per ordinary share was based on 3,465,182,495 issued ordinary shares at the end of the period 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) 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.

Review of the Group Statements of Comprehensive Income for the nine months period ended 30 September 2014 compared with the previous corresponding period ended 30 September 2013

The Group's revenue decreased to S$0.8 million for the nine months ended 30 September 2014 ("9M 2014"), compared to S$9.1 million for the previous corresponding nine months ended 30 September 2013 ("9M 2013"). In 9M 2014, the Group had sold an insignificant amount of marketable securities.

The Group realised a gross loss of S$0.4 million for 9M 2014, compared to a gross profit of S$0.8 million for 9M 2013.

Unrealized losses from investment trading activities narrowed to S$8.5 million in 9M 2014 from losses of S$63.8 million in 9M 2013. The Group had a fair value gain of S$2.7 million from its derivative receivables in 9M 2014, compared to a fair value gain of S$59.9 million in 9M 2013. Unrealized losses from derivative receivables and other assets narrowed to S$1.9 million in 9M 2014, from losses of S$12.1 million in 9M 2013.

Administrative expenses were slightly higher at S$1.2 million in 9M 2014, compared to S$1.1 million in 9M 2013.

Other expenses decreased to S$0.9 million in 9M 2014 from S$1.8 million in 9M 2013. The decrease was mainly due to absence of expenses incurred in 9M 2013 for the takeover offer exercise for the entire issued and paid up share capital of Merlin Diamonds Limited.

Loss before income tax was S$10.1 million in 9M 2014, compared to a loss of S$18.0 million in 9M 2013.

Review of the Statements of Comprehensive Income for the three months period ended 30 September 2014 ("Q3 2014") compared with the three months period ended 30 September 2013 ("Q3 2013")

The Group reported revenue of S$0.3 million in Q3 2014, down 89.1% from S$3.0 million in Q3 2013. In Q3 2014, the Group had sold an insignificant amount of marketable securities.

The Group realised a gross loss of S$0.2 million in Q3 2014, compared to a gross profit of S$0.7 million in Q3 2013.

Unrealized losses from investment trading activities narrowed to S$2.8 million in Q3 2014, compared to unrealized losses of S$70.7 million in Q3 2013. The Group had a fair value gain of S$1.0 million from its derivative receivables in Q3 2014, compared to a fair value gain of S$59.9 million in Q3 2013. Unrealized losses from derivative receivables and other assets narrowed to S$0.6 million in Q3 2014, compared to unrealized losses of S$12.7 million in Q3 2013.

In Q3 2014, Administrative and Other expenses increased to S$0.4 million and S$0.5 million respectively, from S$0.3 million and S$0.4 million in Q3 2013.

Loss before income tax was S$3.5 million in Q3 2014, compared to a loss of S$23.5 million in Q3 2013.

Review of the Statements of Financial Position as at 30 September 2014 compared with 31 December 2013 ("FY 2013")

Property, plant and equipment decreased to S$0.8 million as at 30 September 2014 from S$0.9 million as at 31 December 2013. The decrease was mainly due to provision of depreciation for the period under review.

Investment property decreased to S$12.9 million as at 30 September 2014 from S$13.4 million as at 31 December 2013, as the Group has disposed one of its investment properties. The Group's investment properties are residential and commercial properties held for income and capital gain. These investment properties are situated in Malaysia. The Malaysian property market was buoyant in 2013 but the Malaysian government has introduced measures to dampen speculation. In view of the measures, the Group has decided to liquidate these investment properties. The Group will dispose more of its investment properties if a reasonable offer emerges.

Goodwill of S$13.7 million arose from the acquisition of an 81.82% equity interest in Extera Pte Ltd ("Extera") in 2013, resulting in Extera becoming a subsidiary of the Group. The Company recognised the excess of the value of the purchase consideration over the value of its net identifiable assets on completion of the acquisition as goodwill. As the necessary market valuations and other calculations have not been finalised, the initial accounting for the acquisition of Extera has been provisionally determined based on the Group's best estimate of the fair valuation of the identifiable assets and liabilities which approximate to the carrying amounts at the date of acquisition. The recorded amount of goodwill is therefore provisional and subject to change (within one year) to reflect changes in estimates.

Dezhou Sheng Rong Gas Co. Ltd., a 90% owned subsidiary of Extera, entered into an agreement with a third party to acquire land use rights for the construction of a compressed natural gas refilling station, for a total consideration of approximately S$3.1 million. The construction of the refilling station has been completed and has started operations but the title of the land use rights has not been transferred to Sheng Rong.

The Group's available-for-sale investments comprised:

(i) the Group and the Company's 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) the Group and the Company's equity investment in Trackplus Sdn Bhd, the carrying value of which as at 30 September 2014 was S$1.5 million.

Derivative receivables and other assets increased to S$23.3 million as at 30 September 2014 from S$20.7 million as at 31 December 2013. The increase was mainly due to fair value gain of S$2.7 million during the period under review.

Investments held for trading decreased to S$3.5 million as at 30 September 2014 from S$12.5 million as at 31 December 2013, mainly due to fair value loss of approximately S$8.5 million and sale of investments held for trading of S$0.6 million.

Other receivables and prepayments was S$1.2 million as at 30 September 2014, compared to S$1.3 million as at 31 December 2013.

Cash and cash equivalent decreased to S$2.0 million as at 30 September 2014, compared to S$2.8 million as at 31 December 2013.

Deferred tax liabilities represent the estimated tax payable calculated on the difference between the carrying amount of its investment properties and its costs. The Group deems 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.

Trade and other payables increased to S$5.0 million as at 30 September 2014 from S$3.7 million as at 31 December 2013, mainly due to advance due to a director and accrued finance costs.

Derivative payables and other liabilities increased to S$9.4 million as at 30 September 2014 from S$8.4 million as at 31 December 2013. The increase was mainly due to a fair value loss of S$1.1 million during the period under review.

Current assets and current liabilities stood at S$30.0 million and S$14.5 million, respectively. Current ratio of the Group was 2.1 times (3.1 times as at 31 December 2013).

The non-current liability and total equity of the Group stood at S$0.5 million and S$51.5 million, respectively as at 30 September 2014. The non-current liability to equity ratio was 0.01 as at 30 September 2014.

Review of Cashflow for the nine months period ended 30 September 2014 compared with the previous corresponding period ended 30 September 2013

Operating cash outflows before working capital changes during 9M 2014 were S$1.9 million. Net cash outflows arising from operating activities was S$1.1 million. These outflows were partly financed by the proceeds of S$0.5 million from the disposal of an investment property.

Operating cash outflows before working capital changes during 9M 2013 were S$1.4 million. Net cash outflows arising from operating activities was S$21.5 million. These outflows were financed by the proceeds of S$29.8 million from placement of shares.

Review of Cashflow for Q3 2014 compared with Q3 2013

Operating cash outflows before working capital changes during Q3 2014 were S$0.7 million. Net cash outflows arising from operating activities was S$0.6 million. These outflows were partly financed by the proceeds of S$0.3 million arising from disposal of investments held for trading, and proceeds of S$0.5 million arising from disposal of investment property.

Operating cash inflows before working capital changes during Q3 2013 were S$0.5 million, of which net cash outflows arising from operating activities was S$21.3 million. These outflows were financed by the proceeds of S$29.8 million from placement of shares in 2013.

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's main business activities are in investments, investments holding, provision of management services to related companies, and technology and trading.

Portfolio Management in Investments Held for Trading and Financial Instruments

The Group invests its surplus cash not immediately required for operations in marketable securities and financial instruments and 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 thus, this may have an impact on the reported profit or loss of the Group.

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 business and has decided to dispose these

investment properties which are in Malaysia. Barring unforeseen significant changes in the Malaysian economic and political environment, the Group does not expect the disposal of these investment properties to have any material impact on its FY2014 financial results.

Technology and trading

The Group's wholly owned subsidiary, PG Communications Sdn Bhd ("PGSB"), provides energy saving and smart technology solutions and trading in such products. The Group has decided to discontinue the operation of PGSB as it has underperformed. The Group believes that this decision will not have any significant impact to the bottom line of the Group in the full financial year ending 31 December 2014.

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, cashflow and have 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 Company 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.

Rights Shares cum Warrants Issue

On 20 June 2014, the Company announced that it proposed a renounceable non-underwritten rights issue of up to 6,930,364,990 new ordinary shares in the capital of the Company and up to 3,465,182,495 free detachable warrants (the "Rights Shares cum Warrants Issue"), on the basis of two rights shares and one free detachable warrant for every one issued ordinary share in the capital of the Company held by shareholders, fractional entitlement to be disregarded.

The Company announced on 12 August 2014 that the Singapore Exchange Securities Trading Limited (SGX-ST) has given its approval-in-principle for the listing and quotation of up to 6,930,364,990 Rights Shares, up to 3,465,182,495 Warrants and up to 3,465,182,495 New Shares in connection with the proposed Rights Shares cum Warrants Issue. The SGX-ST Approval In-Principle is not to be taken as an indication of the merits of the Rights Shares cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Company and/or its subsidiaries.

The Company has also obtained shareholders' approval for the Rights Shares cum Warrants Issue at an Extraordinary General Meeting held on 5 September 2014.

The Register of Transfers and the Register of Members of the Company was closed at 5.00 p.m. on 15 October 2014 for the purpose of determining the provisional allotments of Rights Shares with Warrants of Entitled Shareholders (being Entitled Depositors and Entitled Scripholders) under the Rights Shares cum Warrants Issue.

The Offer Information Statement in relation to the Rights Shares cum Warrants Issue has been lodged with the Monetary Authority of Singapore on 16 October 2014 and has been despatched to Entitled Shareholders, together with a copy of the Provisional Allotment Letter and the application form for Rights Shares and Excess Rights Shares, as the case may be, at their respective address in Singapore, on 20 October 2014.

At the close of the Rights Shares cum Warrants Issue on 4 November 2014, valid acceptances and excess applications for a total of 931,567,650 Rights Shares with Warrants were received. This represents approximately 13.44% of the total number of Rights Shares with Warrants available for subscription under the Rights Shares cum Warrants Issue. Based on the foregoing, the gross proceeds raised by the Company from the Rights Shares cum Warrants Issue are approximately S$9,315,677. 931,567,650 Rights Shares and 465,783,822 Warrants were allotted and issued by the Company on 11 November 2014. The Rights Shares rank pari passu in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the date of issue of the Rights Shares. Following the allotment and issue of the Rights Shares, the total number of issued Shares of the Company has increased from 3,465,182,495 Shares to 4,396,750,145 Shares. The Company confirmed that there is a satisfactory spread of warrant holders to provide an orderly market for the Warrants in compliance with Rule 826 of the Listing Manual of the SGX-ST. The Rights Shares were listed and quoted on the Main Board of the SGX-ST with effect from 9.00 a.m. on 12 November 2014 and the Warrants were listed and quoted on the Main Board of the SGX-ST with effect from 9.00 a.m. on 13 November 2014.

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 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. Confirmation pursuant to Rule 705(5) of the listing manual

Messrs Wong Chin Yong and Ong Kah Hock, being the 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 2014 unaudited financial statements to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

Wong Chin Yong	**Ong Kah Hock**
Director	**Director**

BY ORDER OF THE BOARD
Stanley Chu Kam Po
Company Secretary

Date: 14 November 2014