



INNOPAC HOLDINGS LIMITED

(Company Registration No. 197301788K)

Financial Statement & Dividend Announcement for the Sixth Quarter (3 Months) and the 18 months (18M) ended 30 June 2018 (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 3 months			GROUP 18 months		
	1.4.2018 to 30.6.2018 S\$'000	1.4.2017 to 30.6.2017 S\$'000	+ /(-) %	1.1.2017 to 30.6.2018 S\$'000	1.1.2016 to 30.6.2017 S\$'000	+ /(-) %
Revenue						
Net gains on trading of marketable securities	-	-	-	14	2	600.0
Rental income from investment properties	23	23	-	122	48	154.2
	23	23	-	136	50	172.0
Other operating (expenses)/income						
- Net (losses)/gains from investment trading activities	(83)	(68)	22.1	(17)	(131)	(87.0)
- Net gains /(losses) from derivative instruments and other assets/ liabilities	-	-	-	6	(159)	(103.8)
Other income/(losses)	16	13	23.0	5	283	(98.2)
Administrative expenses	(171)	(391)	(56.3)	(1,667)	(2,326)	(28.3)
Other expenses	(247)	(118)	109.3	(7,944)	(2,256)	252.1
Finance income	-	-	-	1	97	(99.0)
Finance costs	(2)	(3)	(33.3)	(9)	(6)	50.0
Share of loss of joint ventures	3	(1)	(400.0)	(4)	(23)	(82.6)
Loss before tax	(461)	(545)	(15.4)	(9,493)	(4,471)	(112.3)
Tax credit/(expenses)	11	-	n.m	30	(11)	(372.7)
Loss for the period	(450)	(545)	(17.4)	(9,463)	(4,482)	111.1
Other comprehensive income/ (loss), net of tax						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	(25)	88	(128.4)	266	(212)	(225.5)
Total comprehensive loss	(475)	(457)	3.9	(9,197)	(4,694)	95.9
(Loss)/profit attributable to:						
Owners of the Company	(446)	(534)	(16.5)	(9,380)	(4,493)	108.8
Non-controlling interests	(4)	(11)	(63.6)	(83)	11	(854.5)
Total comprehensive (loss)/profit attributable to :						
Owners of the Company	(471)	(446)	5.6	(9,114)	(4,705)	93.7
Non-controlling interests	(4)	(11)	(63.6)	(83)	11	(854.5)

n.m : not meaningful

Notes:

This announcement covers a 18 month period from 01 Jan 2017 to 30 June 2018. The Company has changed its financial year end from 31 December to 30 June (please refer to the announcement reference no.SG1801100THR7LX3 dated 10 January 2018). The financial period for FY2017 will now cover 18 month period from 01 January 2017 to 30 June 2018.

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	
	30.6.2018 (Unaudited) S\$'000	31.12.2016 (Audited) S\$'000	30.6.2018 (Unaudited) S\$'000	31.12.2016 (Audited) S\$'000
ASSETS				
Non-current Assets :				
Subsidiaries	-	-	2,322	4,607
Property, plant and equipment	69	30	28	30
Investment properties	9,008	9,707	-	-
Investments in joint venture	773	6,767	-	6,000
Available-for-sale investments	4,600	6,142	4,600	6,142
	14,450	22,646	6,950	16,779
Current Assets :				
Investments held for trading	66	83	66	66
Trade and other receivables and prepayments	2,350	2,451	2,689	2,846
Cash and cash equivalents	1,141	1,584	97	136
	3,557	4,118	2,852	3,048
TOTAL ASSETS	18,007	26,764	9,802	19,827
LIABILITIES AND EQUITY				
Non-Current Liabilities :				
Deferred tax liabilities	365	378	-	-
	365	378	-	-
Current Liabilities :				
Trade and other payables	14,438	13,801	7,526	8,189
Derivative payables and other liabilities	-	6	-	6
Provision for directors' fees	161	340	161	340
	14,599	14,147	7,687	8,535
Equity and Reserves :				
Share capital	121,572	121,571	121,572	121,571
Assets revaluation reserve	3,099	3,099	-	-
Share awards reserve	752	752	752	752
Share options reserve	1,154	1,154	1,154	1,154
Foreign currency translation reserve	(477)	(743)	-	-
Accumulated losses	(123,590)	(114,210)	(121,363)	(112,185)
Equity attributable to owners of the Company	2,510	11,623	2,115	11,292
Non-controlling interests	533	616	-	-
Total equity	3,043	12,239	2,115	11,292
TOTAL LIABILITIES AND EQUITY	18,007	26,764	9,802	19,827

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:—

- (A) the amount repayable in one year or less, or on demand
Nil
- (B) the amount repayable after one year
Nil
- (C) whether the amounts are secured or unsecured
Not applicable
- (D) details of any collaterals
Not applicable

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	
	3 Months		18 months	
	1.4.2018 to 30.6.2018 S\$'000	1.4.2017 to 30.6.2017 S\$'000	1.1.2017 to 30.6.2018 S\$'000	1.1.2016 to 30.06.2017 S\$'000
Cash flows from operating activities :				
Loss for the period	(450)	(545)	(9,463)	(4,482)
Adjustments for :				
Tax (credit)/expenses recognised in profit or loss	(11)	-	(30)	11
Share of (gain)/ loss of joint ventures	(3)	1	4	23
Net losses/(gains) from investments held for trading	83	68	17	131
Net (gains)/losses from derivative instruments and other assets/liabilities	-	-	(6)	159
Fair value gain on investment property	(13)	-	(13)	(383)
Impairment of trade and other receivables	1	(19)	73	1,014
Impairment loss of investment in joint venture	2	-	5,998	-
Write back other creditors & accruals	(156)	-	(156)	-
Write off of other debtor, deposit & prepayment	4	-	4	4
Depreciation of property, plant and equipment	2	1	10	37
Loss on disposal of investment property	2	-	326	-
Loss on disposal of available-for-sale investment	-	-	542	-
Provision for directors' fee	84	33	161	195
Trade and other creditors written back	-	-	-	(1)
Net unrealised foreign exchange loss/(gain)	20	(60)	(122)	195
Share awards	-	-	-	74
Share options	-	-	-	196
Finance income	-	-	(1)	(97)
Finance costs	1	3	8	6
Operating cash flows before working capital Changes	(434)	(518)	(2,648)	(2,918)
Investments held for trading	-	-	-	113
Investment in fixed income instruments	-	-	-	5,000
Trade and other receivables and prepayments	(11)	17	1	1,560
Trade and other payables	316	474	464	886
Derivative payables and other liabilities	-	-	-	6
Cash (used in) operations	(129)	(27)	(2,183)	4,647
Interest paid	(1)	(3)	(8)	(6)
Tax paid	-	-	(1)	(1)
Net cash (used in) operating activities	(130)	(30)	(2,192)	4,640
Cash flows from investing activities :				
Interest received	-	-	3	294
Purchase of property, plant and equipment	-	-	(49)	(3)
Payments for joint venture investment	-	-	(8)	(6,082)
Proceeds from sales of available-for-sale investment	-	-	1,000	-
Proceeds from sales of investment property	-	-	802	-
Net cash generated from/(used in) investing activities	-	-	1,748	(5,791)
Cash flows from financing activities :				
Repayment of finance lease	-	-	-	(21)
Proceeds from conversion of warrants	-	-	1	-
Net cash generated from/(used in) financing activities	-	-	1	(21)
Net (decrease) in cash and cash equivalents	(130)	(30)	(443)	(1,172)
Cash and cash equivalents at the beginning of the period	1,271	1,436	1,584	2,578
Cash and cash equivalents at the end of the period	1,141	1,406	1,141	1,406

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	Share awards reserve	Share options reserve	Foreign currency translation reserve	Accumulated (losses)	Asset revaluation reserve	Attributable to equity holders of the Company	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
GROUP									
Balance as at 1.1.2017	121,571	752	1,154	(743)	(114,210)	3,099	11,623	616	12,239
Loss for the period	-	-	-	-	(8,791)	-	(8,791)	(91)	(8,882)
Other comprehensive income/(loss):									
Exchange differences on translating foreign operations	-	-	-	109	-	-	109	-	109
Total other comprehensive income for the period, net of tax	-	-	-	109	-	-	109	-	109
Total comprehensive income/(loss) for the period	-	-	-	109	(8,791)	-	(8,682)	(91)	(8,773)
Issue of share under conversion of warrants	1	-	-	-	-	-	1	-	1
Grant of share awards	-	-	-	-	-	-	-	-	-
Grant of share options	-	-	-	-	-	-	-	-	-
Balance as at 31.12.2017	121,572	752	1,154	(634)	(123,001)	3,099	2,942	525	3,467
Loss for the financial period	-	-	-	-	(589)	-	(589)	8	(581)
Exchange differences on translating foreign operations	-	-	-	157	-	-	157	-	157
Total other comprehensive (loss)/income for the financial period, net of tax	-	-	-	157	-	-	157	-	157
Total comprehensive (loss)/income for the period	-	-	-	157	(589)	-	(432)	8	(424)
Balance as at 30.06.2018	121,572	752	1,154	(477)	(123,590)	3,099	2,510	533	3,043
Balance as at 1.1.2016	121,571	678	958	(571)	(110,806)	3,099	14,929	573	15,502
Loss for the period	-	-	-	-	(3,404)	-	(3,404)	43	(3,361)
Other comprehensive (loss)/income:									
Exchange differences on translating foreign operations	-	-	-	(172)	-	-	(172)	-	(172)
Total other comprehensive (loss)/income for the financial period, net of tax	-	-	-	(172)	-	-	(172)	-	(172)
Total comprehensive (loss)/income for the period	-	-	-	(172)	(3,404)	-	(3,576)	43	(3,533)
Grant of share awards	-	74	-	-	-	-	74	-	74
Grant of share options	-	-	196	-	-	-	196	-	196
Balance as at 31.12.2016	121,571	752	1,154	(743)	(114,210)	3,099	11,623	616	12,239
Loss for the financial period	-	-	-	-	(1,089)	-	(1,089)	(32)	(1,121)
Exchange differences on translating foreign operations	-	-	-	(40)	-	-	(40)	-	(40)
Total other comprehensive (loss)/income for the financial period, net of tax translating foreign operations	-	-	-	(40)	-	-	(40)	-	(40)
Total comprehensive (loss)/income for the period	-	-	-	(40)	(1,089)	-	(1,129)	(32)	(1,161)
Balance as at 30.06.2017	121,571	752	1,154	(783)	(115,299)	3,099	10,494	584	11,078

	Share capital	Share awards reserve	Share options reserve	Foreign currency translation reserve	Accumulated (losses)	Asset revaluation reserve	Attributable to equity holders of the Company	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
COMPANY									
Balance as at 1.1.2017	121,571	752	1,154	-	(112,185)	-	-	-	11,292
Loss for the financial period	-	-	-	-	(8,170)	-	-	-	(8,170)
Other comprehensive income/(loss) for the financial period:	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the financial period	-	-	-	-	-	-	-	-	-
Issue of share under conversion of warrants	1	-	-	-	-	-	-	-	1
Balance as at 31.12.2017	121,572	752	1,154	-	(120,355)	-	-	-	3,123
Loss for the financial period	-	-	-	-	(1,008)	-	-	-	(1,008)
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	-	-
Total other comprehensive (loss)/income for the financial period, net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive (loss)/income for the period	-	-	-	-	(1,008)	-	-	-	(1,008)
Balance as at 30.06.2018	121,572	752	1,154	-	(121,363)	-	-	-	2,115
Balance as at 1.1.2016	121,571	678	958	-	(103,958)	-	-	-	19,249
Loss for the financial period	-	-	-	-	(8,227)	-	-	-	(8,227)
Other comprehensive (loss)/income:									
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	-	-
Total other comprehensive (loss)/income for the financial period, net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive (loss)/income for the period	-	-	-	-	(8,227)	-	-	-	(8,227)
Grant of share awards	-	74	-	-	-	-	-	-	74
Grant of share options	-	-	196	-	-	-	-	-	196
Balance as at 31.12.2016	121,571	752	1,154	-	(112,185)	-	-	-	11,292
Loss for the financial period	-	-	-	-	(907)	-	-	-	(907)
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	-	-
Total other comprehensive (loss)/income for the financial period, net of tax	-	-	-	-	-	-	-	-	-
Total comprehensive (loss)/income for the period	-	-	-	-	(907)	-	-	-	(907)
Balance as at 30.06.2017	121,571	752	1,154	-	(113,092)	-	-	-	10,385

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

The share awards, share options, and warrants outstanding during the period under review were as follow:-

GROUP / COMPANY	No. of share awards	No. of share options	No. of warrants
Balance as at 1 Jan 2017	30,000,000	91,500,000	465,783,822
Conversion of warrants			(84,500)
Lapsed / expired	-	(16,000,000)	(465,699,322)
Balance as at 30 Jun 2018	30,000,000	75,500,000	-

The warrants had expired and there were no outstanding warrants as at 30 June 2018.

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 2017	4,460,750,145
Issued of shares - conversion of warrants	84,500
Balance as at 30 Jun 2018	4,460,834,645

The total number of issued shares excluding treasury shares as at 30 June 2018 was 4,460,834,645.

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

There was no treasury shares in issue as at the end of the current financial period reported on and its corresponding period.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on and its 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.

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 for the period under review as in the last audited financial statements. The Group had changed its financial year end from 31 December to 30 June (please refer to the announcement reference no.SG180110OTHR7LX3 dated 10 January 2018). The financial period for FY2017 will now cover 18 month period from 01 January 2017 to 30 June 2018.

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 18 months	
	1.1.2017 to 30.06.2018 Cents	1.1.2016 to 30.6.2017 Cents
(Losses) per ordinary share based on net loss attributable to shareholders calculated on:		
(i) weighted average number of ordinary shares	(0.21)	(0.10)
(ii) a fully diluted basis	(0.21)	(0.10)

Losses per ordinary share for 30 June 2018 was calculated based on the weighted average number of shares of 4,460,786,205 (30 June 2017: 4,460,750,145) in issue during the period. The fully diluted losses per ordinary share for the current financial period reported on was calculated based on the weighted average number of shares of 4,460,786,205 (30 June 2017: 4,460,750,145) in issue during the period.

Diluted loss per share was calculated based on the weighted average number of ordinary shares adjusted for the effects of all dilutive potential ordinary shares. Shares awards granted but not vested, share options granted but not exercised, and warrants in issue at the end of the period under review, 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	
	30.06.2018 Cents	31.12.2016 Cents	30.06.2018 Cents	31.12.2016 Cents
Net asset value per ordinary share based on existing issued share capital	0.07	0.27	0.05	0.25

Computation of net asset value per ordinary share was based on 4,460,834,645 issued ordinary shares at the end of the period under review (31 Dec 2016: 4,460,750,145 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

3 months to 30 June 2018

Revenue in the quarter ended 30 June 2018 was S\$0.02million in rental income from investment properties and nil for trading in marketable securities as there was no trading activity of marketable securities during this quarter.

The net loss from investment trading activities for the quarter ended 30 June 2018 was a loss of S\$0.08 million as compared to the net loss of S\$0.07million in Q2 2017. The increase in loss by 22.1% was due to increase in unrealised losses arising from the changes in the fair value of the Group's investments in marketable securities.

Other income improved by 23% to S\$0.016million from S\$0.01million mainly due to increase in fair value gain in investment properties.

Administrative expenses decreased by 56.3% to S\$0.17million for quarter ended 30 June 2018 from S\$0.39million in Q2 2017 due to absence of non-cash expenses arising from the grant of share award and share options and write back of other creditors and accruals.

Other expenses increased by 109% to S\$0.25million for quarter ended 30 June 2018 from S\$0.12million in Q2 2017, mainly due to increase in professional fees.

Loss for the period decreased by 17.4% to S\$0.45million in the quarter ended 30 June 2018 from S\$ 0.55million in the corresponding quarter ended 30 June 2017.

There was an exchange loss on *translation of foreign operations* of S\$0.03million in the quarter ended 30 June 2018, as compared to a gain of S\$0.09million in the corresponding quarter ended 30 June 2017. The exchange differences were mainly due to the net effect in translating the foreign currencies denominated financial statements of its subsidiaries into Singapore Dollar for reporting purposes.

First 18 months to 30 June 2018 ("18M 2017") vs 18 months 30 June 2017("18M 2016")

Due to the change of the financial year end from 31 December to 30 June the Group results covered a 18 month period from 1 January 2017 to 30 June 2018.

Revenue in the 18 months ended 30 June 2018 ("18M 2017") increased by 172% to S\$0.14million from S\$0.05million in the 18 months ended 30 June 2017 ("18M 2016") mainly due to an increase in rental income from the Group's investment properties.

The net gains/ (loss) from investment trading activities improved by 87% due to a smaller loss of S\$0.02million for the period ended 30 June 2018 as compared to a loss of S\$0.13million for 18 months ended 30 June 2017 ("18M 2016").

The net gains from *derivative instruments and other assets/liabilities* in ("18M 2017") were S\$0.006 million an improvement of 104% as compared to the net losses of S\$0.16 million in ("18M 2016"). These net (losses) / gains are unrealised gains / (losses) arising from the changes in the fair value of the Group's investments in derivative instruments and other assets/liabilities.

Other income decreased by 98% from S\$0.28million in ("18M 2016") to S\$0.005 in ("18M 2017") due to decrease in fair value gain(losses) arising from investment properties.

Administrative expenses decreased by 28.3% to S\$1.7 million in ("18M 2017") from S\$2.3 million in ("18M 2016"). The decrease was mainly due to absence of non-cash expenses arising from the grant of share award and share options, write back of other creditors and accrual and decrease in staff cost as compared to ("18M 2016").

Other expenses increased 252% to S\$7.9million in ("18M 2017") from S\$2.3million in ("18M 2016"), mainly due to provision on the impairment loss of investment in joint venture of S\$6million.

Loss for the period increased 111% to S\$9.5million in ("18M 2017") from S\$4.5million for period ended ("18M 2016").

There was an exchange gain on *translation of foreign operations* of S\$0.27million in (“18M 2017”), as compared to a loss of S\$0.21million in (“18M 2016”). The exchange differences were mainly due to the net effect in translating the foreign currency denominated financial statements of its subsidiaries into Singapore Dollar for reporting purposes.

Review of the Statements of Financial Position as at 30 June 2018 compared with 31 December 2016

There was a increase of 130% from S\$0.04million to \$0.07million in *property, plant and equipment* as at 30 June 2018 mainly due to purchase of a vehicle in a subsidiary.

Investment properties comprised residential and commercial properties which were held for income and capital gain, decreased by 7.2% from S\$9.7million as at 30 June 2016 to S\$9million as at 31 December 2017. The decrease was mainly due to disposal of a property in the period ended 30 June 2018.

Investments in joint venture decreased to S\$0.78 million as at 30 June 2018 from S\$6.77million as at 31 December 2016. The decrease in investment in joint venture of S\$6million was due to impairment loss of investment in microalgae cultivation and extraction of oil project. The remaining investment in joint venture represents its investment in the gold exploration and exploitation project.

The Group’s *available-for-sale investments* as at 30 June 2018 decreased by 25% from \$6.1 million to S\$4.6 million, comprising the rights to receive the net proceeds of 60 finished lots of land situated at Sawyer Falls, Pierce County, Washington State, USA. The decrease was due to the disposal of the investment in Trackplus.

Overall, non-current assets decreased by 36% to S\$14.5million as at 30 June 2018 from S\$22.6million as at 31 December 2016.

Current assets decreased by 13.6% to S\$3.6million as at 30 June 2018 from S\$4.1million as at 31 December 2016. The changes were due to:

- *Investments held for trading* decreased to S\$0.07million as at 30 June 2018 due to changes in fair value.
- *Other receivables and prepayments* decreased by 4.1% to S\$2.35million as at 30 June 2018 from S\$2.45million as compared to 31 December 2016.
- *Cash and cash equivalents* decreased by 28% to S\$1.14million as at 30 June 2018 from \$1.58million as at 31 December 2016.

Trade and other payables increased by 4.6% to S\$14.4million from S\$13.8million as at 30 June 2018. The increase was due to increase in unpaid expenses and provision for a profession firm services fees.

As at 30 June 2018, the current liabilities had increased by 3.19% from S\$14.1million to S\$14.6 million due to increase in other payables.

Current liabilities exceeded current assets by S\$11million as at 30 June 2018.

As at 30 June 2018, the Group’s current ratio was 0.24 times, as compared to 0.29 times as at 30 December 2016.

There was a slight decrease of 3.4% in non-current liabilities as at 30 June 2018 as compared to 31 December 2016. Non-current liabilities were represented by deferred tax liabilities, which is the estimated tax payable calculated on the difference between the carrying amount of the Group’s investment properties and its costs.

Total equity decreased by 75% to S\$3million as at 30 June 2018 from S\$12million as at 31 December 2016.

Comments on Cashflow

The 3 month period results ended 30 June 2017 are for the comparative purposes only and not consolidated in the 12 month period results ended 31 December 2016. The 18 month period results ended 30 June 2017, which is computed by adding the results of the 6 month period ended 30 June 2017 (1 January 2017 to 30 June 2017) to that of 12 month period ended 31 December 2016, is also presented for comparative purposes.

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 Company had on 27 April 2018 entered into a placement agreement with a placement agent to raise S\$5,000,000, (See announcement dated 29 April 2018). On 30 May 2018, the Company announced that the placement agent had procured investors for a total of S\$5,000,000, which will result in one of the placees becoming a controlling shareholder of the Company. (See announcement dated 30 May 2018).

However, on 1 June 2018, the Company received a letter of demand for S\$14,689,028.12 from Rajah & Tann Singapore LLP acting on behalf of Saxo Bank A/C ("Saxo Bank") (See announcement dated 6 June 2018). The Company's lawyers have responded to R&T and the Company is considering appropriate actions pending the discussions between the Company's representative and Saxo Bank's advisor. Saxo Bank had notified the Company that it has appointed a third party advisor to discuss with the Company regarding this matter.

Saxo Bank's letter of demand has frustrated the Company's share placement exercise. It has also led to the Company's decision to suspend trading in its shares since 4 June 2018 as the Group's past financial statements was put into doubt by the claimed amount of S\$14,689,028.12 as compared to the S\$12,339,457.20 liability recorded by the two relevant entities in the Group. The Group has since received audit confirmations from Saxo Bank itself that the amount owing by the two relevant entities in the Group was correct.

The Group's plans have been totally derailed by Saxo Bank's action and is actively exploring its options, including but not limited to disposing of its investment properties and investments. The Group has also been in negotiations with potential buyers to sell these assets, and expects that these assets can be sold at or close to their fair values in due course to raise funds for the Group's operations and to pursue with its plans.

The Group will keep shareholders informed of further developments.

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

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

No dividend has been declared.

(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. Negative confirmation pursuant to Rule 705(5)

Wong Chin Yong and Philip Leng Yew Chee, 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 unaudited financial statements for the Q6 and 18M 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Wong Chin Yong
Director

Philip Leng Yew Chee
Director

Date: 31 August 2018

Date: 31 August 2018

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).

16. 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</u> <u>S\$'000</u>	<u>Investment trading</u> <u>S\$'000</u>	<u>Investment holding</u> <u>S\$'000</u>	<u>Total</u> <u>S\$'000</u>
Group 2017				
Segment revenue	-	25	111	136
Segment results	(304)	(46)	(9,130)	(9,480)
Share of loss of joint venture				(4)
Finance cost				(9)
Income tax credit				30
Loss for the financial year				(9,463)
Segment assets	3,347	78	14,582	18,007
Segment liabilities	(449)	(12,360)	(1,790)	(14,599)
Deferred tax liabilities				(365)

	<u>Products trading</u> <u>S\$'000</u>	<u>Investment trading</u> <u>S\$'000</u>	<u>Investment holding</u> <u>S\$'000</u>	<u>Total</u> <u>S\$'000</u>
Total liabilities				(14,964)
Other information				
Capital expenditure	49	-	0	49
Depreciation of property, plant and equipment	8	-	2	10
Group 2016				
Segment revenue	2	-	48	50
Segment results	1,017	(1,074)	(4,385)	(4,442)
Share of joint venture loss				(23)
Finance cost				(6)
Income tax				(11)
Loss for the financial year				(4,482)
Segment assets	4,333	113	22,318	26,764
Segment liabilities	(498)	(12,368)	(1,281)	(14,147)
Deferred tax liabilities				(378)
Total liabilities				(14,525)
Other information				
Capital expenditure	-	-	3	3
Depreciation of property, plant and equipment	1	32	4	37
Impairment loss of trade and other receivables	-	1,014	-	1,014

(b) *Analysis by geographical segment*

Segment revenue: Segment revenue was analysed based on the location of customers regardless of where the goods were produced.

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

	Group	
	<u>2017</u> <u>S\$'000</u>	<u>2016</u> <u>S\$'000</u>
Segment revenue by geographical market:		
Singapore	25	11
Other Asian countries	111	39
Total	136	50
Segment non-current assets by geographical location:		
Singapore	801	6,797
Other Asian countries	9,049	9,707
Total	9,850	16,504
Segment capital expenditure by geographical location:		
Singapore	-	3
Other Asian countries	49	-
Total	49	3

17. **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.

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

	GROUP		
	Latest Financial Year S\$'000	Previous Financial Year S\$'000 *	% increase/ (decrease)
(a) Revenue reported for first 6 month	0	(68)	(100)
(b) Operating (loss) after tax before deducting minority interests reported for first 6 month (Jan – Jun 2017)	(1,121)	(1,053)	6.5
(c) Revenue reported for next 6 month	102	92	11
(d) Operating (loss) / profit after tax before deducting minority interests reported for next 6 month (Jul – Dec 2017)	(7,761)	(2,308)	236
(e) Revenue reported for next 6 month	34	26	31
(f) Operating (loss) / profit after tax before deducting minority interests reported for next 6 month (Jan – Jun 2018)	(581)	(1,121)	(48)

* The 18 month period results ended 30 June 2017, which is computed by adding the results of the 6 month period ended 30 June 2017 (from 01 January 2017 to 30 June 2017) to that of 12 month period ended 31 December 2016, is presented for comparative purposes only.

19. 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

20. 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.

By order of the Board

Wong Chin Yong
Chief Executive Officer
Date: 31 August 2018