



INNOPAC HOLDINGS LIMITED

(Company Registration No. 197301788K)

Financial Statement & Dividend Announcement for the fourth Quarter (Q4) and the 12 months (12M) ended 31 Dec 2017 (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 Q4			GROUP 12 months		
	1.10.2017 to 31.12.2017 S\$'000	1.10.2016 to 31.12.2016 S\$'000	+/(-) %	1.1.2017 to 31.12.2017 S\$'000	1.1.2016 to 31.12.2016 S\$'000	+/(-) %
Revenue						
Net gains on trading of marketable securities	-	70	(100.0)	14	2	600.0
Rental income from investment properties	48	22	118.2	88	22	300.0
	48	92	(47.8)	102	24	325
Other operating (expenses)/income						
- Net gains/ (losses) from investment trading activities	33	(564)	(105.9)	-	(112)	(100.0)
- Net (losses)/gains from derivative instruments and other assets/ liabilities	-	(3)	(100.0)	6	(165)	(103.6)
Other income/(losses)	2	15	(86.7)	(12)	298	(104.0)
Administrative expenses	(257)	(279)	(7.9)	(1,275)	(1,619)	(21.2)
Other expenses	(629)	(1,086)	(42.1)	(1,168)	(1,848)	(36.8)
Finance income	-	2	(100.0)	1	96	(99.0)
Finance costs	(4)	-	n.m	(11)	(2)	450.0
Share of loss of joint ventures	-	(22)	(100.0)	(6)	(22)	(72.7)
Loss before tax	(807)	(1,845)	(56.3)	(2,363)	(3,350)	(29.5)
Tax credit/(expenses)	20	17	17.6	19	(11)	(272.7)
Loss for the period	(787)	(1,828)	(56.9)	(2,344)	(3,361)	(30.3)
Other comprehensive income/ (loss), net of tax						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of foreign operations	137	(137)	(200.0)	110	(172)	(164.0)
Total comprehensive loss	(650)	(1,965)	(66.9)	(2,234)	(3,533)	(36.8)
Loss attributable to:						
Owners of the Company	(738)	(1,913)	(61.4)	(2,253)	(3,404)	(33.8)
Non-controlling interests	(49)	85	(157.6)	(91)	43	(311.6)
Total comprehensive loss attributable to :						
Owners of the Company	(601)	(2,050)	(70.7)	(2,143)	(3,576)	(40.1)
Non-controlling interests	(49)	85	(157.6)	(91)	43	(311.6)

*n.m : not meaningful

Notes:

This announcement covers a 12 month period from 01 Jan 2017 to 30 December 2017. The Company has changed its financial yearend 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	
	31.12.2017 (Unaudited) S\$'000	31.12.2016 (Audited) S\$'000	31.12.2017 (Unaudited) S\$'000	31.12.2016 (Audited) S\$'000
ASSETS				
Non-current Assets :				
Subsidiaries	-	-	4,607	4,607
Property, plant and equipment	74	30	28	30
Investment properties	8,755	9,707	-	-
Investments in joint venture	772	6,767	-	6,000
Available-for-sale investments	6,142	6,142	6,142	6,142
	15,743	22,646	10,777	16,779
Current Assets :				
Investments held for trading	83	83	66	66
Trade and other receivables and prepayments	2,409	2,451	2,693	2,846
Cash and cash equivalents	1,170	1,584	111	136
	3,662	4,118	2,870	3,048
Assets classified as held for sale	5,996	-	5,996	-
	9,658	4,118	8,866	3,048
TOTAL ASSETS	25,401	26,764	19,643	19,827
LIABILITIES AND EQUITY				
Non-Current Liabilities :				
Deferred tax liabilities	365	378	-	-
	365	378	-	-
Current Liabilities :				
Trade and other payables	14,632	13,801	9,584	8,189
Derivative payables and other liabilities	-	6	-	6
Amount due to directors	399	340	399	340
	15,031	14,147	9,983	8,535
Equity and Reserves :				
Share capital	121,571	121,571	121,571	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	(633)	(743)	-	-
Accumulated losses	(116,463)	(114,210)	(113,817)	(112,185)
Equity attributable to owners of the Company	9,480	11,623	9,660	11,292
Non-controlling interests	525	616	-	-
Total equity	10,005	12,239	9,660	11,292
TOTAL LIABILITIES AND EQUITY	25,401	26,764	19,643	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	
	Q4		12 months	
	1.10.2017 to 31.12.2017 S\$'000	1.10.2016 to 31.12.2016 S\$'000	1.1.2017 to 31.12.2017 S\$'000	1.1.2016 to 31.12.2016 S\$'000
Cash flows from operating activities :				
Loss for the period	(787)	(1,828)	(2,344)	(3,361)
Adjustments for :				
Tax (credit)/expenses recognised in profit or loss	(20)	(17)	(19)	11
Share of loss of joint ventures	-	22	6	22
Net (gains)/ losses from investments held for trading	(33)	564	-	112
Net losses/(gains) from derivative instruments and other assets/liabilities	-	3	(6)	165
Fair value loss/(gain) on investment property	-	3	-	(383)
Impairment of trade and other receivables	72	883	72	1,014
Write off of other debtor, deposit & prepayment	-	-	-	4
Depreciation of property, plant and equipment	4	-	5	36
Loss on disposal of investment property	321	-	321	-
Provision for unutilized leave	13	1	55	48
Provision for directors' fee	(39)	32	59	129
Trade and other creditors written back	-	(1)	-	(1)
Net unrealised foreign exchange (gain)/loss	(79)	26	(31)	147
Share awards	-	-	-	74
Share options	-	-	-	196
Finance income	-	(2)	(1)	(96)
Finance costs	4	-	11	2
Operating cash flows before working capital changes	(544)	(314)	(1,872)	(1,881)
Investments held for trading	-	13	-	113
Investment in fixed income instruments	-	-	-	5,000
Trade and other receivables and prepayments	(77)	34	(66)	1,484
Trade and other payables	(329)	128	788	102
Derivative payables and other liabilities	-	6	-	6
Cash (used in)/generated from operations	(950)	(133)	(1,150)	4,824
Interest paid	(4)	-	(11)	(2)
Tax paid	-	-	(1)	(1)
Net cash (used in) /generated from operating activities	(954)	(133)	(1,162)	4,821
Cash flows from investing activities :				
Interest received	-	-	3	291
Purchase of property, plant and equipment	(49)	(3)	(49)	(3)
Payments for joint venture investment	-	(12)	(8)	(6,082)
Proceeds from sales of investment property	802	-	802	-
Net cash generated from /(used in) investing activities	753	(15)	748	(5,794)
Cash flows from financing activities :				
Repayment of finance lease	-	-	-	(21)
Net cash used in financing activities	-	-	-	(21)
Net decrease in cash and cash equivalents	(201)	(148)	(414)	(994)
Cash and cash equivalents at the beginning of the period	1,371	1,732	1,584	2,578
Cash and cash equivalents at the end of the period	1,170	1,584	1,170	1,584

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	-	-	-	-	(2,253)	-	(2,253)	(91)	(2,344)
Other comprehensive income/(loss):									
Exchange differences on translating foreign operations	-	-	-	110	-	-	110	-	110
Total other comprehensive income for the period, net of tax	-	-	-	110	-	-	110	-	110
Total comprehensive income/(loss) for the period	-	-	-	110	(2,253)	-	(2,143)	(91)	(2,234)
Grant of share awards	-	-	-	-	-	-	-	-	-
Grant of share options	-	-	-	-	-	-	-	-	-
Balance as at 31.12.2017	121,571	752	1,154	(633)	(116,463)	3,099	9,480	525	10,005
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
COMPANY									
Balance as at 1.1.2017	121,571	752	1,154	-	(112,185)	-	-	-	11,292
Loss for the financial period	-	-	-	-	(1,632)	-	-	-	(1,632)
Other comprehensive income/(loss) for the financial period:									
Total comprehensive loss for the financial period	-	-	-	-	-	-	-	-	-
Grant of share awards	-	-	-	-	-	-	-	-	-
Grant of share options	-	-	-	-	-	-	-	-	-
Balance as at 31.12.2017	121,571	752	1,154	-	(113,817)	-	-	-	9,660
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 income/(loss) for the financial period:									
Total comprehensive loss for the financial 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

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 follows:-

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)
Warrants expired	-	-	(465,699,322)
Balance as at 31 Dec 2017	30,000,000	91,500,000	-

During the financial period, 84,500 ordinary shares were allotted pursuant to the exercise of warrants by warrant holders at the exercise price of S\$0.012 for each New Share under the terms of the Deed Poll dated 7 October 2014. The warrant has expired and there were no outstanding warrants as at 31 December 2017.

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	84,500
Balance as at 31 Dec 2017	4,460,834,645

The total number of issued shares excluding treasury shares as at 31 December 2017 was 4,460,834,645 after the listing of 84,500 new ordinary shares (the "New Shares") on the Main Board of the Singapore Exchange Securities Trading Limited on 16 November 2017 ((please refer to the announcement ref No: SG171120OTHRMY0). The issue of shares are related to 1(d)(ii) and details are explained as above.

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 share in issue during the year under review and its previous corresponding year.

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 subsidiary holdings 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.

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.

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 Q4		GROUP 12 months	
	1.10.2017 to 31.12.2017 Cents	1.10.2016 to 31.12.2016 Cents	1.1.2017 to 31.12.2017 Cents	1.1.2016 to 31.12.2016 Cents
(Losses) per ordinary share based on net loss attributable to shareholders calculated on:				
(i) weighted average number of ordinary shares	(0.02)	(0.05)	(0.05)	(0.08)
(ii) a fully diluted basis	(0.02)	(0.05)	(0.05)	(0.08)

Losses per ordinary share for 12M 2017 was calculated based on the weighted average number of shares of 4,460,762,183 (12M 2016: 4,441,690,036) in issue during the period. The fully diluted losses per ordinary share for 12M 2017 was calculated based on the weighted average number of shares of 4,460,762,183 (12M 2016: 4,441,690,036) 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	
	31.12.2017 Cents	31.12.2016 Cents	31.12.2017 Cents	31.12.2016 Cents
Net asset value per ordinary share based on existing issued share capital	0.22	0.27	0.22	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

Q4 2017 vs Q4 2016

Revenue in the quarter ended 31 December 2017 ("Q4 2017") was S\$0.05million as compared to S\$0.09million in the corresponding period ended 31 December 2016 ("Q4 2016"). Revenue in Q4 2017 was solely derived from rental income from investment properties as there was no gain from *trading of marketable securities* in this quarter.

The net gain from investment trading activities in Q4 2017 was S\$0.03 million as compared to the *net loss* of S\$0.56million in Q4 2016. The turnaround from loss to gain by 106% was due to unrealized gains arising from the changes in the fair value of the Group's investments in marketable securities in Q4 2017.

Other income decreased by 87% to S\$0.002million in Q4 2017 from S\$0.015million in Q4 2016, mainly due to decrease in net realised gain in forex trading.

Administrative expenses decreased by 8% to S\$0.26million in Q4 2017 from S\$0.28million in Q4 2016 due to reduction in remuneration cost and director fee.

Other expenses decreased by 42% to S\$0.6million in Q4 2017 from S\$1.1million in Q4 2016, mainly due to a reduction in impairment on trade debtor as compared to Q4 2016. The expenses was partly off-set by an increase in expenses due to loss on disposal of an investment property by a Malaysian subsidiary of S\$0.3million and professional and legal fees of S\$0.14million mostly for the cancelled rights issue cost in Q4 2017.

Loss for the period decreased by 57% to S\$0.8million in Q4 2017 from S\$ 1.8 million in Q4 2016.

There was an exchange gain on *translation of foreign operations* of S\$0.1 million in Q4 2017, as compared to a loss of S\$0.1million in Q4 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.

First 12 months 2017 vs first 12 months 2016

Revenue in the 12 months ended 31 December 2017 (“12M 2017”) increased by 325% to S\$0.1million from S\$0.02million in the 12 months ended 31 December 2016 (“12M 2016”), due to an increase in rental income from the Group’s investment properties and trading of marketable securities in 12M 2017.

There was no *net gains/ (loss) from investment trading activities* was nil as there was no transaction in 12M 2017.

The net gains from *derivative instruments and other assets/liabilities* in 12M 2017 were S\$0.006 million as compared to the net losses of S\$0.16 million in 12M 2016, a decrease of 104%. These net gains/(losses) 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 104% to a loss of S\$0.01million in 12M 2017 from S\$0.3million gain in 12M 2016 due to fair value gain/loss transactions arising from property and decrease in net realised loss in forex trading.

Administrative expenses decreased by 21% to S\$1.3million in 12M 2017 from S\$1.6million in 12M 2016. The decrease was mainly due to the absence of non-cash expenses arising from the grant of share award and share options and remuneration in 12M 2017 as compared to 12M 2016.

Other expenses decreased 37% to S\$1.2 million in 12M 2017 from S\$1.8million in 12M 2016, mainly due to decrease on the impairment loss of trade receivable of S\$0.94million and partly offset by an increase in expenses due to loss on disposal of an investment property in a Malaysian subsidiary of S\$0.3million. *Finance income* decreased by 99% to S\$0.001 million in 12M 2017 from S\$0.09 million in 12M 2016, as there was no interest income derived from the Company’s investment in bond instruments in 12M 2017 as compared to 12M 2017.

Loss for the period decreased by 30% to S\$2.3million in 12M 2017 from S\$3.4million in 12M 2016.

There was an exchange gain on *translation of foreign operations* of S\$0.11million in 12M 2017, as compared to a loss of S\$0.17 million in 12M 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 31 December 2017 compared with 31 December 2016

Property, plant and equipment increased by 147% from S\$0.03million as at 31 December 2016 to \$0.07million as at 31 December 2017 due to a purchase of vehicle in a subsidiary company.

Investment properties comprised residential and commercial properties which were held for income and capital gain, decreased to S\$8.8million as at 31 December 2017 from S\$9.7million as at 31 December 2016. The decrease was mainly due to disposal of a property by a subsidiary company.

Investments in joint venture decreased to S\$0.77 million as at 31 December 2017 from S\$6.77 million as at 31 December 2016 due to the reclassification of the Group’s investment in the microalgae cultivation and extraction of oil project as *Assets classified as held for sale*. The Group had received an expression of interest from an unrelated third party to acquire the microalgae cultivation and extraction of oil project on a “as is where is” basis in May 2017. The original budget for the first facility (the “Facility”) of the microalgae cultivation and extraction of oil project is US\$12.50 million. The Company has invested S\$6.00 million for the construction of a down-sized Facility. The Facility is not able to achieve the optimal results, accordingly the Company has decided to sell this investment project. The *investment in joint venture* as at 31 December 2017 represents its investment in the gold exploration and exploitation project in the Kyrgyz Republic.

The Group’s *available-for-sale investments* as at 31 December 2017 and 31 December 2016 were 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 with a valuation of S\$1.5 million.

Overall, non-current assets decreased by 30% to S\$15.7million as at 31 December 2017 from S\$22.6 million as at 31 December 2016.

Current assets increased by 135% to S\$9.7million as at 31 December 2017 from S\$4.1million as at 31 December 2016. The changes were due to:

- *Assets classified as held for sale* of S\$6.00 million as at 31 December 2017, due to reclassification from *Investments in joint venture* to *Assets classified as held for sale*.
- *Investments held for trading* had been revalued and remained unchanged at S\$0.08million as at 31 December 2017.
- *Other receivables and prepayments* decreased by 1.7% to S\$2.4million as at 31 December 2017 from S\$2.45million as at 31 December 2016.
- *Cash and cash equivalents* decreased by 26% to S\$1.17million as at 31 December 2017 from S\$1.58 million as at 31 December 2016.

Trade and other payables increased by 6% to S\$14.6million from S\$13.8million as at 31 December 2016. The increase was due to accruals and unpaid expenses.

The increase in director fee by 17% to \$0.4million from \$0.34million was due to unpaid to director for 12M 2017.

As at 31 December 2017, current liabilities increased 6% to S\$15million from S\$14.1million as at 31 December 2016.

Current liabilities exceeded current assets by S\$5.4 million as at 31 December 2017.

As at 31 December 2017, the Group's current ratio was 0.64 times, as compared to 0.29 times as at 31 December 2016.

There were no material changes for non-current liabilities as at 31 December 2017 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 18% to S\$10million as at 31 December 2017 from S\$12.2million as at 31 December 2016.

Comments on Cashflow

Q4 2017 vs Q4 2016

Operating cash outflows before working capital changes in Q4 2017 were S\$0.54million. These outflows were mainly financed by sale of an investment property. Net cash outflow arising from operating activities (after movements in working capital) was S\$0.95million. Net cash generated from investing activities was S\$0.75million mainly due to proceeds of S\$0.8million for its sale of an investment property and outflow on purchase of property, plant and equipment in subsidiary of \$0.05million from investing activities.

Operating cash outflows before working capital changes in Q4 2016 were S\$0.3 million. These outflows were partly financed by an increase in trade and other payables of S\$0.1 million. Net cash outflows arising from operating activities (after movement in working capital) was S\$0.1 million.

12M 2017 vs 12M 2016

Operating cash outflows before working capital changes in 12M 2017 were S\$1.9million. These outflows were financed by increase in trade and other payable of S\$0.79million and partly by increase in receivable of S\$0.07million. Net cash outflows arising from operating activities (after movement in working capital) was S\$1.2million. Net cashflow from investing activities was S\$0.7million from sales proceeds of S\$0.8million and outflow on purchase of property, plant and equipment in a subsidiary of \$0.04million from investing activities.

Operating cash outflows before working capital changes in FY 2016 were S\$1.9million. These outflows were financed by redemption of investment in fixed income instruments of S\$5.0million, a decrease in trade and other receivables and prepayments of S\$1.5 million, an increase in trade and other payables of S\$0.1million and investments held for trading of S\$0.1million. Net cash generated

from operating activities (after movement in working capital) was S\$4.8million. The net outflow was S\$5.8million from the Group's investing activities.

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 Group's principal activities are in investments, investment holdings and rendering of services to related companies.

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. 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's investment properties consist of a 48.3 acres industrial land in Tanjung Malim, Perak; an apartment in Kuala Lumpur, Malaysia and two shop-houses in Sabah, Malaysia. The outlook for the investment properties market in Malaysia remains stable and will be largely influenced by political developments and central bank policies. The Group has reviewed its investments in investment properties and is exploring to develop the Tanjung Malim land, inter alia, into smaller industrial lots for sale. The Group had also decided to dispose of its investment properties in Malaysia.

Investments in Joint-Ventures. The Company has a gold exploration and exploitation in the Kyrgyz Republic. The JV company, Artel Trade LLC, intends to conduct a work program in 2018 to upgrade the alluvial gold reserves and have it registered in the State balance which will enable it to start mining the alluvial gold. The profitability of this JV is subject to fluctuations in international gold prices and cost of production in the Kyrgyz Republic.

The Group will continue to seek new opportunities on profitable investments and review its existing investments. The Group is also actively for potential major acquisitions that have revenue, cash flows and profitability.

The Group shall be making several restructuring that should result in a significant improvement in the financial position of the Group.

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 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 Group's unaudited financial statements for the Q4 and 12M 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Wong Chin Yong
Director

Ong Kah Hock
Director

Date: 12 February 2018

Date: 12 February 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).

By order of the Board

Tan Sock Kheng
Company Secretary
Date: 12 February 2018