

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

**RESPONSE TO SGX-ST QUERIES ON THE ANNOUNCEMENT ON 15 NOVEMBER 2018 ON THE
GROUP'S FINANCIAL STATEMENT FOR Q1 2019**

Innopac Holdings Limited (the "Company") refers to SGX's 23 November 2018 queries on the Company's 3M Financial Results ended 30 September 2018 announcement made on 15 November 2018, and would like to reply as follows:

SGX Query 1

- 1) In the statement of comprehensive income, "Rental income from investment properties" amounts to S\$10K.
- i. Please disclose the property/properties that contributed to the revenue of S\$10K ; and
 - ii. Please explain for the decrease in rental income.

Our Response:

- i) The "Rental income from investment properties" was rental income of RM10,000 a month from 10 acres of raw land in the Tanjong Malim, Perak. The Tanjong Malim land is a 48.3 acres industrial land; and
- ii) The decrease in rental income by S\$3,000 was due to the absence of rental income from the Clearwater apartment which had been vacant during this period.

SGX Query 2

- 2) In the statement of comprehensive income, "Other expenses" amounted to S\$523K. Please provide details and a breakdown to this amount.

Our Response:

<u>Other Operating Expenses</u>	Q1 2019 \$'000
Office Rental	32
Travelling & related expenses	23
Professional and Legal fees	219
Corporate Expenses (Note1)	18
Government related Fee (Note 2)	28
Miscellaneous Expenses (Note 3)	203
Total	523

Note 1: Corporate Expenses include SGX listing fee, CDP fee, Share Registrar and Corp Sec fees.

Note 2: Government related fee includes GST and property taxes of Malaysia subsidiary.

Note 3: Miscellaneous Expenses include depreciation, exchange losses (on translation).

SGX Query 3

- 3) In the statement of financial position, "Trade and other payables" amounts to S\$15.2mil. Please:-
- Provide a breakdown of the "Trade and other payables" and provide the aging schedule; and
 - Provide explanations for material items.

Our Response:

Trade & Other payables (in S\$'000)	As at 30 Sep 18	As at 30 Jun 18	Details of accrued/unpaid expenses
Trade Payable-Financial institution- (Note 1)	12,340	12,340	Saxo Bank A/S
Other Creditors	695	458	Increase in other creditors due to short-term loan
Advances from director	344	241	Advances from director
Accrued unutilised leave	510	506	Provision for unutilised leave
Accrued Operating Expenses	331	364	Accrued Operating Expenses
Other Payables	941	529	Increase in payable due to professional fees for Investment Process Review, Interim Audit and EGM expenses
Total	15,161	14,438	

Trade & Other payables (in S\$'000)	As at 30 Sep 18	1-30 days	31-60 days	> 60 days
Trade Payable-Financial institution- (Note 1)	12,340	-	-	12,340
Other Creditors	695	323	54	318
Advances from director	344	344	-	-
Accrued unutilized leave	510	-	-	510
Accrued Operating Expenses	331	331	-	-
Other Payables	941	441	-	500
Total	15,161	1440	54	13,667

Note 1: Refer to Note 19 of the Annual Report 2018

SGX Query 4

- 4) In the statement of cash flows,
- "Trade and other payables" amounts to S\$567K. Please provide a breakdown to this amount;
 - "Trade and other receivables and prepayments" amounts to S\$55K. We note that Rental Income is only S\$10K, but the increase in "Trade and other receivables and prepayments" is S\$55K. Please provide a breakdown for this S\$55K

Our Response

- i. Breakdown to Trade and Other payable:-

Trade and other payables	Amount-SGD
Professional fee for Investment Review Fee	128,150
Short-term loan	250,718
U.S. Legal fees for advice on Sawyer Falls LLC	36,968
Amount owing to Director	102,776
Other Miscellaneous creditor	48,388
Total	567,000

Although the rental Income was only S\$10k, there were an increase in prepayments of S\$45,077 in prepayments and S\$9,945 in trade receivable in the movement in cashflow as follows:-

ii. **Movement in cash flow in Trade receivable and prepayments:-**

Trade Receivable and Prepayments	Amount- SGD
Legal Fee related to Investment Process Review	20,000
Increase in Corporate Expenses	16,250
Business and medical Insurance	4,300
Increase in Trade Receivable	9,945
Government related Tax	4,527
Total	55,022

SGX Query 5

- 5) It was disclosed that “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.” Currently, does the Company still have any investments held for trading and financial instruments? If yes, please provide details.

Our Response

The Group have investments held for trading and financial instrument listed below:-

Name of investment in securities	Annica	Liongold	Blumont
Number of shares	444,000	16,740,100	33,000,000
Market Price per share @30 Sept 2018	-	-	0.002

**BY ORDER OF THE BOARD
INNOPAC HOLDINGS LIMITED**

Priscilla Tan Sock Kheng
Company Secretary
26 November 2018