

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

PROPOSED PLACEMENT OF UP TO 5,000,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF INNOPAC HOLDINGS LIMITED

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or “**Directors**”) of Innopac Holdings Limited (the “**Company**” and the Company together with its subsidiaries, the “**Group**”) wishes to announce that it had, on 27 April 2018, entered into a placement agreement (the “**Placement Agreement**”) with KGI Securities (Singapore) Pte. Ltd. (the “**Placement Agent**”). Each of the Company and the Placement Agent shall be referred to as a “**Party**” and together, the “**Parties**”.
- 1.2 Pursuant to the Placement Agreement, the Placement Agent has been appointed to procure subscribers on a best effort basis for up to 5,000,000,000 new ordinary shares in the capital of the Company (the “**Placement Shares**”) at a minimum average price of S\$0.001 (the “**Minimum Placement Price**”) per Placement Share (the “**Proposed Placement**”).
- 1.3 The final placement price for the Placement Shares shall be decided by the Placement Agent, in consultation with the Company (the “**Final Placement Price**”).
- 1.4 Assuming that the Placement Shares are fully subscribed, the Placement Shares represent approximately 112.09% of the existing issued and paid-up share capital of the Company of 4,460,834,645 ordinary shares as at the date of this announcement (excluding treasury shares). Immediately after completion of the Proposed Placement and assuming that no further shares are issued prior thereto, the Proposed Placement will increase the issued and paid-up share capital of the Company to 9,460,834,645 ordinary shares and the Placement Shares will represent approximately 52.85% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares).

2. PRINCIPAL TERMS OF THE PROPOSED PLACEMENT

- 2.1 In accordance with and subject to the terms and conditions of the Placement Agreement, the Placement Agent has agreed to use its best efforts to procure subscriptions for, and payment of the Placement Shares at the Minimum Placement Price.
- 2.2 The Placement Shares shall be free from all and any claims, pledges, mortgages, charges, liens and other encumbrances whatsoever and shall rank, *pari passu*, in all respects with the then existing issued ordinary shares in the Company (“**Shares**”), except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of issue of the Placement Shares.
- 2.3 The Agreement and the obligations of the Placement Agent under the Placement Agreement are conditional upon, *inter alia*, the fulfilment of all of the following conditions (the “**Conditions**”):
- (a) the Company having received the approval-in-principle for the listing and quotation of the Placement Shares on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and such approval not having been revoked or amended, and, where such approval is subject to conditions, such conditions being acceptable to the Placement Agent and the Company, and, to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before the Completion Date (as defined below), they are so fulfilled;
 - (b) the transactions contemplated herein not being prohibited by law or regulation or interpretation thereof (including without limitation, any statute, order, rule, regulation, request, judgement or directive promulgated or issued by any legislative, executive,

judicial or regulatory body or authority (including without limitation, the Monetary Authority of Singapore (the “MAS”) and the SGX-ST) in Singapore or other jurisdictions which is applicable to the Company or the Placement Agent; and

- (c) the determination of the Final Placement Price by the Placement Agent, in consultation with the Company.
- 2.4 If the Conditions are not fulfilled on or before the date falling two (2) months after the date of the Placement Agreement, the Placement Agreement shall *ipso facto* cease and all rights and liabilities of the Parties thereunder shall cease and no Party shall have any claim against any other Party save in respect of any antecedent breach of the Placement Agreement.
- 2.5 Completion of the Proposed Placement (“**Completion**”) shall take place on the date falling five (5) Business Days after the satisfaction of the Conditions or such other date as the Parties may agree in writing (the “**Completion Date**”).
- 2.6 In consideration of the Placement Agent procuring subscribers on a best effort basis for the Placement Shares, the Company shall pay to the Placement Agent a placement commission of 1.5% of the Gross Proceeds. “**Gross Proceeds**” being the aggregate Final Placement Price multiplied by the number of Placement Shares which the Placement Agent has procured the subscription of under the Placement Agreement.
- 2.7 The Placement Shares will not be placed out to any person who is a director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of the Listing Manual (“**Listing Rules**”), save for exceptions under Rule 812(3) of the Listing Rules.

3. USE OF PROCEEDS

- 3.1 Based on the Minimum Placement Price of S\$0.001 per Placement Share and assuming the Placement Shares will be taken up in full, the Company expects to receive net proceeds of approximately S\$4,750,000.00 (“**Net Proceeds**”), after deducting estimated expenses of S\$250,000.00.
- 3.2 The Company intends to utilise the Net Proceeds to support new business investments and acquisitions and for general working capital purposes.
- 3.3 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such Net Proceeds are materially disbursed. The Company will also provide a status report on the utilisation of such Net Proceeds in the Company’s annual report(s). Where the proceeds have been used for working capital, the Company will provide a breakdown with specific details on how the proceeds have been applied in the announcements and status reports. Where there is a material deviation in the use of proceeds, the Company will also state the reasons for such deviation.

4. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or, to the best of the Company’s knowledge, the substantial shareholders of the Company, as well as their respective associates, has any interest, direct or indirect, in the Proposed Placement (other than through their respective shareholdings in the Company) except that the Placement Agent may elect to place the Placement Shares to substantial shareholders as permitted under Rule 812(3) of the Listing Rules.

5. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. Completion of the Proposed Placement is subject to certain conditions. As at the date of this announcement, there is no certainty or assurance that the Proposed Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when

there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

By Order of the Board
INNOPAC HOLDINGS LIMITED

Wong Chin Yong
Chairman & CEO

29 April 2018