



REPLY TO SGX'S QUERIES ON THE COMPANY'S ANNOUNCEMENTS DATED 4 FEBRUARY 2018

Innopac Holdings Limited (the "Company") refers to SGX's 5 February 2018 queries on the Resignation of non-executive/independent director, Yang Kiin made by Innopac Holdings Limited (the "Company") made on 4 February 2018 and would like to reply as follows:

SGX Query 1

It was announced on 4 February 2018 (the "Announcement") that "it is the Company's position that differences between Mr Yang and the Company arose from the termination of the joint venture agreement between the Company's wholly owned subsidiary and RC Carbon Sdn Bhd ("RC Carbon") on 9 November 2017 and the claims for financial compensation made by RC Carbon against the company flowing from the termination of the joint venture with RC Carbon". Please explain why this was not announced by the Company; and (ii) Please provide details on these amounts of claims.

Reply 1

(i) The termination of the joint venture with RC Carbon was announced by the Company on 30 November 2017.

(ii) The claims for financial compensation by RC Carbon against the Company were not announced as the quantum of the claims were not material. In this regard, RC Carbon claims approximately RM153, 885.73 from the joint-venture company being their advance to the joint-venture company. The Company had advanced approximately RM173, 618.64 to the joint-venture company. Mr. Yang is a director and shareholder of RC Carbon.

SGX Query 2

2. In the Announcement, it was mentioned that "(f)ollowing the Company's termination of the joint venture with RC Carbon, Mr Yang requested on 27 November 2017 that a meeting of the Audit Committee ("AC") be convened and requested for various documents". Please disclose what these "various documents" relate to.

Reply 2

Mr Yang requested for documents relating to the Company's joint venture with Primeforth Renewable Energy Limited – the Company's joint venture partner in the microalgae cultivation project.

SGX Query 3

3. Please disclose how the notice of resignation by Mr Yang was received.

Reply 3

Mr Yang's unsigned notice of resignation was received as an attachment to an email from kiinyang@gmail.com, which was received by the Company on 26 January 2018 at 14:46 hrs.

SGX Query 4

4. Please provide the Company's response to our question 2(e) of the Announcement.

Reply 4

We quote Mr Yang's response ("Response"):

"Yes.

It is my opinion that the Company's practice of Corporate Governance has to be reviewed and the matters raised for the Audit Committee should also be resolved and looked into, as we have not been able to obtain sufficient appropriate document to carry out our evaluation and recommendation to the management.

Personal opinion and reply by Yang Kiin 5 February 2018"

The Company is currently seeking legal advice in relation to the Response and reserves its right to take the necessary action against Mr Yang for defamation arising from the publication of the Response.

By Order of the Board of Directors
INNOPAC HOLDINGS LTD

Tan Sock Kheng
Company Secretary

8 February 2018