

**REPLY TO SGX'S QUERIES ON THE COMPANY'S ANNOUNCEMENTS DATED 17 JANUARY 2018**

Innopac Holdings Limited (the "Company") refers to SGX's 5 February 2018 queries on the Company's announcement made on 17 January 2018 on the disposal of available for sale investment and would like to reply as follows:

SGX Query 1

It was announced on 17 January 2018 (the "Announcement") that "based on the latest announced consolidated audited financial statements of the Group for the financial year ended 31 December 2016 ("FY2016"), the Company's investment in Trackplus was recorded at S\$1.542 million".

- (i) Please disclose the current valuation of Trackplus and details of the valuer; and
- (ii) Please explain why Trackplus is to be sold at S\$1million instead of S\$8.06million.

Reply 1 (i) & (ii)

(i) The current valuation of Trackplus is estimated at approximately RM13 million (S\$4.4 million) based the 27th August 2017 valuation by an independent registered valuer, Firdaus and Professional Associates after adjusting for the termination of the joint venture agreement with the developer and the liabilities of Trackplus.

(ii) We wish to clarify that the S\$8.06 million value is the Guaranteed Minimum Consideration by the developer to Trackplus. As the joint venture with the Developer has been terminated this S\$8.06 million is no longer realisable.

The Company 35% interest in the equity of Trackplus was sold for S\$1.0 million, on a willing buyer willing seller basis; after taking into consideration:

- (a) that the Company's investment in Trackplus is a non-control interest with limited liquidity,
- (b) the Company also has no intent to fund Trackplus for any future development,
- (c) most of Trackplus' liabilities are due to the control shareholder and the Company's interest is at risk of being diluted in the event of a capital call.

SGX Query 2

Please disclose the calculations for Listing Rule 1006(b).

Reply 2

Based on the latest announced unaudited financial statements of the Group for the nine months ended 30 September 2017, the relative figures of the Disposal computed on the bases set out in Rule 1006 of the Listing Manual are as follows:-

Listing Rule	Content	Sale Investments (S\$'000)	Group (S\$'000)	Percentage (%)
1006(b)	The net profits/ (losses) attributable to the assets disposed of, compared with the group's net profits.	(35)	(1,557)	2.2%

Note: The net profit for Trackplus Sdn Bhd is calculated based on the latest unaudited financial year on 30 June 2017.

By Order of the Board of Directors
INNOPAC HOLDINGS LTD

Tan Sock Kheng
Company Secretary

8 February 2018