

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

RECEIPT OF LETTER OF DEMAND

The Board of Directors (the "**Board**") of Innopac Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has received a letter of demand dated 1 June 2018 ("**Letter of Demand**") from Rajah & Tann Singapore LLP ("**R&T**") acting on behalf of Saxo Bank A/S ("**Saxo Bank**").

In the Letter of Demand, R&T states that Saxo Bank is seeking a payment of SGD 14,689,028.12 from the Company (the "**Claim**") to settle *inter alia*, the negative account balances under the accounts maintained by its subsidiaries, Heritage Investment Corporation and Wang Da Investment Limited (collectively the "**Subsidiaries**"), with Saxo Bank.

Although the negative account balances were incurred by the Subsidiaries without any guarantee by the Company, Saxo Bank alleges that the Company is liable for the Claim on the purported basis of a Memorandum of Understanding dated 24 December 2013.

For the avoidance of doubt, the Board would like to inform shareholders that no legal proceedings have been commenced by Saxo against the Company at this stage.

In consultation with its solicitors, the Group will be evaluating the basis and merits of the Claim and will take appropriate action accordingly. The Company will release further announcements to update its shareholders on any material developments in relation to the Claim as and when appropriate.

Pending the resolution of the Claim, the Board is of the view that the Company is unable to reasonably assess and inform the market of its financial position in accordance with Rule 1303(3)(c) and the Company shall therefore be requesting for trading in its shares to be suspended.

Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

By Order of the Board
INNOPAC HOLDINGS LIMITED

Wong Chin Yong
Chairman & Chief Executive Officer

6 June 2018