

INNOPAC HOLDINGS LIMITED
(Company Registration No: 197301788K)
(Incorporated in Singapore)

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

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Innopac Holdings Limited (the “**Company**” and the Company together with its subsidiaries, the “**Group**”) refers to the announcement released by the Company dated 29 April 2018 (the “**Announcement**”). Unless otherwise defined herein, all capitalised terms shall have the meanings ascribed to them in the Announcement.

2. DETAILS OF PLACEES

2.1 The Company wishes to inform shareholders that the Placement Agent has procured subscribers (collectively, the “**Placees**”) to subscribe for the Placement Shares under the Proposed Placement. The Placees have signed and delivered to the Placement Agent their acceptances confirming their applications for Placement Shares under the Proposed Placement.

2.2 The Placement Agent has informed the Company that upon completion of the Proposed Placement, one of the Placees, being Mr Lim Wee Kiat (Jack) (“**Mr Jack Lim**”), will be a controlling shareholder of the Company. Mr Jack Lim is a private investor and currently a compliance professional at an international bank.

2.3 The Placees:

- (a) were independently procured by the Placement Agent;
- (b) are not persons falling within the categories of persons listed in Rule 812(1) of the Listing Rules;
- (c) do not hold any shares, whether directly or indirectly, in the issued share capital of the Company as at the date of this announcement; and
- (d) are not related to each other in any way (other than being co-investors in the Company) and are not parties acting in concert, as defined in the Singapore Code on Take-overs and Mergers, as at the date of this announcement.

2.4 The Placees’ subscription of the Placement Shares is for investment purposes only, and the Placees will not be holding the Placement Shares on trust or as a nominee. Accordingly, save for Mr Jack Lim, the Placees do not intend to acquire additional shares in the Company such that each of their respective shareholding in the Company shall reach 15% or more of the enlarged issued and paid-up share capital of the Company.

3. FINAL PLACEMENT PRICE

3.1 The Placement Shares will be issued at a Final Placement Price of S\$0.001 per Placement Share.

3.2 The Final Placement Price is equivalent to the volume weighted average price of S\$0.001 for the trades done on SGX-ST on 26 April 2018, being the full market day prior to the day which the Placement Agreement was signed.

4. RATIONALE FOR THE PROPOSED PLACEMENT AND USE OF PROCEEDS

- 4.1** The Company is undertaking the Proposed Placement to strengthen its financial position.
- 4.2** When allotted and issued in full, the estimated Net Proceeds from the Proposed Placement, after deducting expenses of approximately S\$250,000 incurred in connection with the Proposed Placement, is expected to amount to approximately S\$4,750,000.
- 4.3** The Company intends to use the Net Proceeds from the Proposed Placement as follows:
- (a) approximately S\$2,250,000 or 47.4% of the Net Proceeds to support new business investments and acquisitions; and
 - (b) approximately S\$500,000 or 10.5% of the Net Proceeds for development of existing investment business; and
 - (c) approximately S\$2,000,000 or 42.1% of the Net Proceeds for general working capital purposes including payment of the fees for the Interim Audit and professional firm appointed to conduct the investment process review pursuant to the Notice of Compliance dated 13 April 2018 issued by the Singapore Exchange Regulation Pte Ltd.
- 4.4** Pending the deployment for the uses identified above, the Net Proceeds may be deposited with banks and/or financial institutions or invested in money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.
- 4.5** 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.

5. AUTHORITY FOR THE ISSUE OF THE PLACEMENT SHARES

5.1 Specific Mandate

- 5.1.1** Section 161 of the Companies Act requires a company to obtain the approval of its shareholders in a general meeting for the issue of shares by the company, except where such issue is undertaken pursuant to a general mandate granted by shareholders in a general meeting.
- 5.1.2** Pursuant to Rule 805(1) of the Mainboard Rules of the Listing Rules, an issuer is required to obtain the prior specific approval of shareholders in a general meeting for the issue of shares, save where such issue is undertaken pursuant to a general mandate granted by shareholders in a general meeting.
- 5.1.3** As the number of Placement Shares exceeds 20% of the total number of issued Shares (excluding treasury shares), pursuant to Rule 806(2) of the Listing Rules, the issue and allotment of the Placement Shares will be made pursuant to a specific mandate.

5.2 Transfer of Controlling Interest

- 5.2.1** Pursuant to the proposed allotment and issue of up to 2,500,000,000 Placement Shares to Mr Jack Lim, Mr Jack Lim's interest in the Company will be approximately 26.42% of the enlarged share capital of the Company upon completion of the Proposed Placement, and assuming that all the Placement Shares are subscribed.

5.2.2 Assuming that the Proposed Placement is completed, upon the allotment and issue of the number of Placement Shares above to Mr Jack Lim, Mr Jack Lim will become a controlling shareholder of the Company. Pursuant to Rule 803 of the Listing Rules, the Company cannot issue securities to transfer a controlling interest without prior approval of shareholders of the Company (the “**Shareholders**”) in a general meeting.

5.2.3 Accordingly, the Company will be seeking specific Shareholders’ approval for the transfer of controlling interest to Mr Jack Lim pursuant to the Proposed Placement (“**Proposed Transfer of Controlling Interest**”) at an extraordinary general meeting of the Company to be convened.

5.3 EGM

The Company will be seeking the approval from shareholders of the Company (the “**Shareholders**”) at an extraordinary general meeting of the Company (the “**EGM**”) to be convened for:

- (a) the Proposed Placement; and
- (b) the Proposed Transfer of Controlling Interest.

6. FINANCIAL EFFECTS

6.1 As at the Latest Practicable Date, the issued and paid up share capital of the Company is S\$121,571,777 comprising 4,460,834,645 Shares. On completion of the Proposed Placement, the issued and paid up share capital of the Company will increase to S\$126,571,777 comprising 9,460,834,645 Shares.

6.2 The tables below illustrate the financial effects of the Proposed Placement on: (i) the net tangible assets (“**NTA**”) per share of the Group; and (ii) the earnings per Share (“**EPS**”) of the Group, based on the latest announced consolidated financial statements of the Group for the twelve-month period ended 31 December 2017¹ and the following assumptions:

- (a) the financial effects of the Proposed Placement on the NTA per Share of the Group are computed assuming that the Proposed Placement is completed on 31 December 2017, being the end of the most recently completed financial year of the Group;
- (b) the financial effects of the Proposed Placement on the EPS of the Group are computed assuming that the Proposed Placement is completed on 1 January 2017, being the beginning of the most recently completed financial year of the Group;
- (c) the maximum number of 5,000,000,000 Placement Shares is placed out by the Placement Agent at the Final Placement Price of S\$0.001 per Placement Share; and
- (d) transactional costs incurred for the Proposed Placement are assumed to be insignificant and as such, have not been taken in account in the computation of the financial effects.

6.3 The financial effects presented below are **for illustrative purposes only** and are not intended to reflect the actual future financial situation of the Company or the Group upon completion of the Proposed Placement.

¹ Pursuant to the announcement dated 10 January 2018, the Company had changed its financial year end from 31 December to 30 June. Accordingly, the most recently completed financial year of the Company is for the period commencing from 1 July 2016 to 30 June 2017, and the financial effects of the Proposed Placement are computed based on the consolidated financial statement of the Group for the period ended 31 December 2017, being the latest announced consolidated accounts of the Group.

NTA

	Before the Proposed Placement	After the Proposed Placement
NTA attributable to Shareholders (S\$'000)	10,055	15,055
Number of Shares ('000)	4,460,834	9,460,750
NTA per share attributable to Shareholders (Singapore cents)	0.23	0.16 ⁽¹⁾

EPS

	Before the Proposed Placement	After the Proposed Placement
Net profit/(loss) after tax attributable to Shareholders (S\$'000)	(2,344)	(2,344)
Weighted average number of shares ('000)	4,460,762	9,447,062
EPS (Singapore cents)	(0.05)	(0.02) ⁽²⁾

Notes:

- (1) Assuming that the Proposed Placement had been completed on 31 December 2017.
- (2) Assuming that the Proposed Placement had been completed on 1 January 2017.

7. CIRCULAR TO SHAREHOLDERS

As the Proposed Placement is conditional upon the Company having obtained Shareholders' approval(s), the circular to the Shareholders containing, among others, information on the Proposed Placement will be despatched to Shareholders in due course.

8. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement and save for any Shares which they may hold (whether directly or indirectly), none of the Directors or, to the best of the Company's knowledge, the substantial shareholders of the Company have any interest, direct or indirect, in the Proposed Placement.

9. 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 Proposed Transfer of Controlling Interest, the Company and its subsidiaries, 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.

10. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Placement is subject to certain conditions. There is no certainty or assurance as at the date of this announcement 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 and potential investors 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.

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

Wong Chin Yong
Chairman & CEO

30 May 2018