

ENTRY INTO SECURED LOAN AGREEMENT

1. INTRODUCTION

The board of Directors (the “**Board**”) of Innopac Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) would like to announce that the Company has on 6th October 2018 entered into a loan agreement with Joy Maker International Limited (the “**Lender**”) (the “**Loan Agreement**”). Pursuant to the Loan Agreement, the Lender has agreed to lend up to S\$2,500,000.00 to the Company (the “**Loan**”), subject to the terms and on conditions set out in the Loan Agreement.

2. SALIENT TERMS OF THE LOAN AGREEMENT

Loan Quantum:	Up to S\$2,500,000.
Term:	The period commencing from the Commencement Date and expiring on the Due Dates.
Due Dates:	The date falling six (6) months from the each of the drawdown of the Loan or such other date as the Parties may agree in writing.
Interest Rate:	18.0% per annum.
Default Interest:	A flat rate of 3% per month of such amount due and payable by the Company.
Security:	(a) debenture and a fixed and floating charge over all the fixed assets or other assets of the Company; (b) a first ranking charge over all the shares in Inno-Pacific Realty Sdn Bhd (“ IPR ”) and Awana Rentak Sdn Bhd (“ AR ”), wholly owned subsidiaries of the Company; (“ AR ” and “ IPR ”, collectively, the “ Security Parties ”); (c) fixed and floating charge over the following properties: (i) Clearwater Residence condominium unit in Kuala Lumpur, Malaysia; (ii) 2 units shophouses in Kota Kinabalu, Malaysia; and (iii) the Tanjong Malim land; and (d) the assignment of (i) rental proceeds from the Tanjong Malim land; and (ii) any amount owing from AR and IPR to the Company or its subsidiaries in favor of the Lender.
Prepayment Penalty:	5.0% of any sum to be prepaid prior to its due date.
Assignment of Loan:	The Lender may, at its sole discretion, assign its rights and liabilities (or any part thereof) under the Loan Agreement at any time at its own costs provided that it notifies the Company in writing of the said assignment within 30 business days from the completion thereof.
Governing Law:	Laws of the Republic of Singapore.

3. USE OF PROCEEDS

The Company intends to use the Loan to pay for working capital requirements, creditors and corporate exercise.

4. INFORMATION ON THE LENDER

The Lender is a private company limited by shares incorporated in the British Virgin Islands. As at the date of this announcement, the Lender does not hold any share in the Company.

As at the date of this announcement, Dato' Choo Beng Kai holds 100% of the interests in the Lender. Dato' Choo is the group managing director of MasMeyer Holdings Sdn Bhd.

The Lender and Dato' Choo are not related to any of the directors or substantial shareholders of the Company.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors, (other than in his capacity as director or shareholder of the Company) nor (as far as the directors are aware) substantial shareholders of the Company has any interest (other than their respective shareholdings in the Company), direct or indirect, in the Loan Agreement.

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

Wong Chin Yong
Chairman and Chief Executive Officer

8 October 2018