

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

1. **PROPOSED DISPOSAL OF SHARES IN SUBSIDIARIES**
 2. **PROPOSED PLACEMENT OF 8,400,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT S\$0.001 PER NEW ORDINARY SHARE**
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1. **INTRODUCTION**

The board of Directors (the “**Board**”) of Innopac Holdings Limited (“**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 6 October 2018 entered into a conditional sale and purchase agreement (“**SPA**”) with Wong Chin Yong (“**WCY**”) for the sale of the Company’s entire shareholding interests in Heritage Investment Corporation (“**HIC**”), Wang Da Investment Limited (“**WDIL**”), Golden Eagle Mining Pte Ltd. (“**GEM**”), Extera Pte Ltd (“**EPL**”) and Malaysian Microalgae Enterprise Sdn Bhd (“**MME**”) (collectively, the “**Entities**”), comprising:

- (a) 1,000 ordinary shares of HIC, representing 100% of its entire issued and paid-up share capital;
- (b) 1,000 ordinary shares of WDIL, representing 100% of its entire issued and paid-up share capital;
- (c) 100 ordinary shares of GEM, representing 100% of its entire issued and paid-up share capital;
- (d) 45,000,000 ordinary shares of EPL, representing 81.8% of its entire issued and paid-up share capital; and
- (e) 2 ordinary shares of MME, representing 100% of its entire issued and paid-up share capital

(collectively, the “**Sale Shares**”), for an aggregate cash consideration of S\$100,000.00 (the “**Purchase Consideration**”), subject to and upon the terms and conditions of the SPA (“**Proposed Disposal**”).

The Board would also like to announce that on 6 October 2018, it has entered into separate subscription agreements (“**Subscription Agreements**”) with each of Dato’ Choo Beng Kai, JP (“**Dato’ Choo**”), Dato’ Lim Soon Huat, Dato’ Lim Kai Seng, Poh Mei Huey, Teh Yew Wooi, Ooi Wey Chong, Yoong Kah Yin, Tang Chi Hoong Darren, Ong Chin Kiong, Teow Chong Joo and Ong Gim Seong (collectively, the “**Investors**”), pursuant to which the Company has agreed to allot and issue and the Investors have agreed to subscribe and pay for, collectively, an aggregate of 8,400,000,000 new ordinary shares in the capital of the Company (“**Placement Shares**”), at an issue price (“**Issue Price**”) of S\$0.001 per Share, amounting to total proceeds of S\$8,400,000.00 (“**Placement Consideration**”), subject to and upon the terms and conditions set out in the respective Subscription Agreements (“**Proposed Placements**”).

2. **PROPOSED DISPOSAL**

The Proposed Disposal as an Interested Person Transaction

2.1 **Information on WCY and Interested Person Transaction**

WCY is the Chairman and Chief Executive Officer of our Group and also a Director on the Board, and he is considered an interested person for the purpose of Rule 904(4)(a) of the Listing Manual (“**Listing Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Accordingly, the Proposed Disposal constitutes an interested person transaction within the meaning of Chapter 9 of the Listing Rules (“**IP**”). Other than the Proposed Disposal, the Company has not entered

into any IPTs (including IPTs with WCY or his associates (as defined in the Listing Rules)) for the period from 1 July 2018 up to the date of this announcement.

The Purchase Consideration of S\$100,000.00 represents approximately 3.64% of the Group's unaudited net tangible assets of approximately S\$2,746,000 as at 30 June 2018, and accordingly, the Proposed Disposal constitutes an IPT requiring approval of the shareholders of the Company ("**Shareholders**") pursuant to Rule 906 of the Listing Rules.

Notwithstanding, the Company will be seeking Shareholders' approval for the Proposed Disposal as an IPT under Chapter 9 of the Listing Rules at an extraordinary general meeting of the Shareholders to be convened in due course ("**EGM**").

WCY has abstained and will abstain from voting on the Proposed Disposal at meetings of the Board. Pursuant to Rule 919 of the Listing Rules, WCY and his associates will abstain from voting and being proxies in respect of the resolution relating to the Proposed Disposal at the EGM.

Information on the Entities

2.1.1 Information on HIC

HIC, incorporated on 1 November 1999 in the British Virgin Islands, has an issued and paid-up capital of S\$1,850.00, comprising 1,000 ordinary shares. It is principally engaged in the business of investment holding and investment trading.

2.1.2 Information on WDIL

WDIL, incorporated on 28 November 2012 in the British Virgin Islands, has an issued and paid-up capital of S\$1,256.00, comprising 1,000 ordinary shares. It is principally engaged in the business of investment holding and investment trading.

2.1.3 Information on GEM

GEM, incorporated on 12 November 2010 in Singapore, has an issued and paid-up capital of S\$100.00, comprising 100 ordinary shares. It is principally engaged in the business of investment holding. GEM's sole investment is a 50% stake in Artel Trade LLC. Artel Trade LLC has 2 gold exploration and exploitation licenses in a concession in the Kyrgyz Republic.

2.1.4 Information on EPL

EPL, incorporated on 16 November 2012 in Singapore, has an issued and paid-up capital of S\$5,500,000.00, comprising 55,000,000 ordinary shares. It is principally engaged in the business of investment holding. EPL's sole investment is a 90% equity interest in Dezhou Shenrong Gas Co. Ltd., ("Shenrong") which was an operator of compressed natural gas ("CNG") stations in the People's Republic of China. Shenrong ceased its CNG station operations in 2015, and have since been attempting to collect and monetise receivables due from its non-controlling shareholder.

2.1.5 Information on MME

MME, incorporated on 14 September 2015 in Malaysia, has an issued and paid-up capital of RM2.00, comprising 2 ordinary shares. It is currently a dormant entity.

2.2 Purchase Consideration

The Purchase Consideration is to be paid entirely in cash on the Closing Date (defined in the SPA as the date falling 5 business days after all the conditions precedent of the SPA have been satisfied, or such other date as the Company and WCY may agree to in writing).

The Purchase Consideration was arrived at by agreement between WCY and the Company at arm's length, on a "willing-buyer, willing-seller" basis after taking into consideration the net book value of the Entities of approximately negative Singapore Dollar Eight Million Three Hundred Thousand *i.e.* -S\$8,300,000.00 based on the latest unaudited consolidated financial statements of the Group for the financial period ended 30 June 2018 ("**Interim 18 Months Results**"), as well as the net loss (before income tax) attributable to the Entities, based on the Interim 18 Months

Results. The Purchase Consideration represents an excess of Singapore Dollar Eight Million Four Hundred Thousand *i.e.* S\$8,400,000.00) over the net book value of the Entities.

Conditions Precedent and Completion

The obligation of the Company and WCY to complete the Proposed Disposal is conditional upon a number of conditions (“**SPA Conditions**”) being fulfilled (or waived in accordance with the SPA). The key SPA Conditions are set out below:

- (a) completion of all the Proposed Placements pursuant to each and all of the Subscription Agreements; and
- (b) the approval, and such approval not having been qualified or withdrawn, of the Shareholders at the EGM to be convened in compliance with the Listing Rules, of the Proposed Disposal as an IPT and all the transactions envisaged under the SPA (including the sale and purchase of the Sale Shares) and any related transactions as may be required in relation thereto.

Pursuant to the terms of the SPA, with effect from the Closing Date, (i) WCY shall resign from his office as a director of the Company and its subsidiaries, and his employment with the Company; (ii) there shall be no liabilities outstanding by, between and among the Company, WCY and/or the Entities and (iii) the Company’s staff currently working in the Entities as directors or management staff will also resign from their offices in the Entities and will cease to provide their services to the Entities.

2.3 Rationale for the Proposed Disposal and benefit to the Group

The performance of each of the Entities in terms of revenue and profitability had been in deterioration for a number of years and the outlook is not expected to improve in the medium term. The Purchase Consideration represents a premium of 101,2 % to the unaudited book value of the Entities to be disposed of pursuant to the Proposed Disposal, being approximately negative Singapore Dollar Eight Million Three Hundred Thousand, *i.e.* -S\$8,300,000.00 as at 30 June 2018. The net tangible asset value of the Entities is negative S\$8,300,000.00 and the Proposed Disposal will result in a gain on disposal of approximately Singapore Dollar Eight Million Four Hundred Thousand, *i.e.* S\$8,400,000.00.

Accordingly, the Board of Directors (save for WCY who has recused himself from the review and approval process) is of the view that the Proposed Disposal of these non-core assets will allow the Group to further prioritise its financial resources as well as streamlining its business focus of investment holdings in real estate for the overall betterment of the Group.

The Proposed Disposal as a Major Transaction

Based on the Group’s latest announced unaudited financial statements for the 18 months ended 30 June 2018, the relative figures of the Proposed Disposal computed on the bases set out in Rule 1006(a) to (e) of the Listing Rules are as follows:

Rule 1006	Bases	Relative values
(a)	The net asset value of the assets to be disposed of, compared with the Group’s net asset value	(302)% ⁽¹⁾
(b)	[The net loss ⁽²⁾ attributable to the assets disposed of, compared with the Group’s net loss]	66.95%
(c)	The aggregate value of the Purchase Consideration, compared with the Company’s market capitalisation	1.12% ⁽³⁾
(d)	The number of equity securities to be issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾

Rule 1006	Bases	Relative values
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable ⁽⁵⁾

Notes:

- (1) Based on the unaudited book value of the Entities to be disposed of as at 30 June 2018 of approximately negative Singapore Dollar Eight Million Three Hundred Thousand, *i.e.* - S\$8,300,000.00 and the Group's unaudited net tangible assets as at 30 June 2018 of approximately negative Two Million Seven Hundred Thousand *i.e.* S\$2,700,000.00.
- (2) Under Rule 1002(3)(b) of the Listing Rules, "net profits" or "net loss" is defined as profit or loss before income tax, minority interests and extraordinary items. The net loss attributable to the Entities based on the 18 Months Results is approximately Singapore Dollar Six Million Three Hundred and Sixty Thousand *i.e.* S\$6,360,000.00. The Group's net loss based on the Interim 18 Month Results is approximately Singapore Dollar Nine Million Five Hundred Thousand *i.e.* S\$9,500,000.00.
- (3) Calculated based on the Purchase Consideration of S\$100,000.00 and the Company's market capitalisation of approximately Singapore Dollar Eight Million Nine Hundred and Twenty Thousand *i.e.* S\$8,920,000.00 as at 1 June 2018, being the last traded market day immediately preceding the date of the SPA.
- (4) This basis is not applicable as no equity securities will be allotted and issued by the Company in relation to the Proposed Disposal.
- (5) This basis is not applicable as the Company is not a mineral, oil and gas company.

As the relative figure computed under Rule 1006(b) of the Listing Rules exceeds 20%, the Proposed Disposal will constitute a "major transaction" as defined in Chapter 10 of the Listing Rules. In accordance with Rule 1014 of the Listing Rules, a major transaction must be made conditional upon approval by shareholders in general meeting, unless such requirement is waived by the SGX-ST. Notwithstanding that the Proposed Disposal will result in a gain on disposal rather than a loss, as the Company is required under Chapter 9 of the Listing Rules to seek the approval of its Shareholders for the Proposed Disposal as an IPT, the Company will concurrently, at the same EGM, be seeking Shareholders' approval for the Proposed Disposal as a major transaction under Chapter 10 of the Listing Rules at an EGM.

2.4 Financial Effects of the Proposed Disposal

The tables below illustrate the financial effects of the Proposed Disposal on the: (i) NTA per share of the Group; and (ii) the LPS of the Group, based on the latest announced consolidated financial statements of the Group for the eighteen-month period ended 30 June 2018 and the following assumptions:

- (a) the financial effects of the Proposed Disposal on the NTA per Share of the Group are computed assuming that the Proposed Disposal is completed on 30 June 2018, being the end of the most recently completed eighteen-month period of the Group;
- (b) the financial effects of the Proposed Disposal on the EPS of the Group are computed assuming that the Proposed Disposal is completed on 1 January 2017, being the beginning of the most recently completed eighteen-month period of the Group; and
- (c) transactional costs incurred for the Proposed Disposal are assumed to be insignificant and as such, have not been taken in account in the computation of the financial effects.

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 Disposal.

Based on the latest announced consolidated financial statements of the Group for the eighteen-month period ended 30 June 2018, the net book value and net profit after tax attributable to the Sale Shares are negative S\$8,300,000.00 and net loss of S\$360,000.00, respectively. The Company is expected to record a gain of S\$8,400,000.00 from the Proposed Disposal.

2.4.1 NTA per Share

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$'000)	2,746	11,146
Number of Shares ('000)	4,460,835	4,460,835
NTA per Share (cents)	0.06	0.25

2.4.2 Loss Per Share

	Before the Proposed Disposal	After the Proposed Disposal
Net loss attributable to shareholders (S\$'000)	9,677	1,277
Weighted average number of Shares (excluding treasury shares) ('000)	4,460,786	4,460,786
Loss Per Share (cents)	0.22	0.03

2.5 Use of Proceeds

The Company intends to use the net proceeds from the Proposed Disposal for general corporate purposes and working capital.

2.6 Appointment of Independent Financial Adviser and Audit Committee Statement

The Company will be appointing an independent financial adviser ("IFA") to advise the Directors who are considered independent of the Proposed Disposal ("**Independent Directors**") and the Audit Committee of the Company for the Proposed Disposal as an IPT. The Company will make a further announcement, identifying the IFA that has been appointed, in due course.

The Audit Committee will be obtaining an opinion from the IFA before forming its view on whether the Proposed Disposal, as an IPT is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

A copy of the letter from the IFA to the Independent Directors and the Audit Committee will be set out in the Circular to be despatched to Shareholders, in due course.

2.7 Service Contracts

No person will be appointed as a director of the Company in connection with the Proposed Disposal and accordingly, no service contract is to be entered into between the Company and any such person.

3. PROPOSED PLACEMENTS

3.1 About the Investors

Name of Investor	Number of Placement Shares ('000)
Dato' Choo Beng Kai	2,500,000
Dato' Lim Soon Huat	2,000,000
Dato' Lim Kai Seng	600,000
Poh Mei Huey	600,000
Teh Yew Wooi	400,000
Ooi Wey Chong	400,000
Yoong Kah Yin	400,000
Tang Chi Hoong Darren	400,000
Ong Chin Kiong	400,000
Teow Chong Joo	400,000
Ong Gim Seong	300,000

The Investors are subscribing for the Placement Shares for investment purposes. Dato' Choo Beng Kai is the Managing Director of Masmeyer Holdings Sdn. Bhd., a private investment holding company. Dato' Lim Soon Huat is the Executive Chairman of Asia File Corporation Berhad, a

company listed on the Main Market of Bursa Malaysia Securities Berhad. The remaining Investors are private investors who have also expressed their interest in taking up new shares in the Company.

Upon completion of the Proposed Placements, two of the Investors, being Dato' Choo Beng Kai and Dato' Lim Soon Huat, will be controlling shareholders of the Company ("**Proposed Transfer of Controlling Interest**").

The Investors:

- (a) were independently introduced to the Company by HL Bank;
- (b) are not persons falling within the categories of persons listed in Rule 812(1) of the Listing Manual;
- (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 ("**Code**"), as at the date of this announcement.

The Investors' subscription for the Placement Shares are for investment purposes only, and the Investors will not be holding the Placement Shares on trust or nominees. The Investors do not intend to acquire additional shares in the Company such that each of their respective shareholdings in the Company shall reach 15% or more of the enlarged issued and paid-up share capital of the Company save for Dato' Choo Beng Kai and Dato' Lim Soon Huat in relation to the Proposed Transfer of Controlling Interest, as disclosed above.

The Issue Price is S\$0.001 for each Placement Shares representing a discount of 50% to the volume weighted average price for the trades done on SGX-ST on 1 June 2018, being the last traded market day prior to the day on which the Subscription Agreements were signed.

To the best of the Company's knowledge, there is no agreement, arrangement or understanding between the Investors and any other Shareholder to acquire Shares to obtain or consolidate effective control of the Company, and the Investors are not parties acting in concert with any other Investor or Shareholder, as defined in the Code.

An introducer fee is payable to HL Bank representing 3.5% of the Placement Consideration for introducing the Investors to the Company. No part of the introducer fee will be shared with the Investors.

3.2 Change in Shareholding Structure

The Placement Shares will represent approximately 65.31% of the enlarged issued and paid-up share capital of the Company after the completion of the Proposed Placements. Based on the issued share capital of the Company as at the date hereof, the following table sets out the respective shareholding interests of the Investors and the impact on the percentage shareholding of existing Directors and substantial Shareholders following completion of the Proposed Placement.

	Before the Proposed Placements				After the Proposed Placements			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors								
Wong Chin Yong	73,000,000	1.64	-	-	73,000,000	0.56	-	-
Dato' Moehamad Izat Emir	20,000,000	0.44	-	-	20,000,000	0.16	-	-
Ong Kah Hock	22,509,000	0.50	-	-	22,509,000	0.18	-	-
Dr. Arslan Koichiev	2,000,000	0.04	-	-	2,000,000	0.07	-	-
Leng Yew Chee Philip	-	-	-	-	-	-	-	-
Chong Eng Wee	-	-	-	-	-	-	-	-

	Before the Proposed Placements				After the Proposed Placements			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Investors								
Dato' Choo Beng Kai	-	-	-	-	2,500,000,000	19.44	-	-
Dato' Lim Soon Huat	-	-	-	-	2,000,000,000	15.55	-	-
Dato' Lim Kai Seng	-	-	-	-	600,000,000	4.66	-	-
Poh Mei Huey	-	-	-	-	600,000,000	4.66	-	-
Teh Yew Wooi	-	-	-	-	400,000,000	3.11	-	-
Ooi Wey Chong	-	-	-	-	400,000,000	3.11	-	-
Yoong Kah Yin	-	-	-	-	400,000,000	3.11	-	-
Tang Chi Hoong Darren	-	-	-	-	400,000,000	3.11	-	-
Ong Chin Kiong	-	-	-	-	400,000,000	3.11	-	-
Teow Chong Joo	-	-	-	-	400,000,000	3.11	-	-
Ong Gim Seong	-	-	-	-	300,000,000	2.33	-	-

3.3 Principal terms of the Proposed Placements

- 3.3.1 No prospectus or offer information statement. The Proposed Placements will be undertaken pursuant to the exemptions under Sections 272B, 275(1) or 275(1A) of the Securities and Futures Act (Cap 289) of Singapore (“SFA”) and in compliance with the conditions and such exemptions therein and the Investors are not subscribing for the Placement Shares with a view of those Placement Shares being subsequently offered for sale to another person in Singapore, where such offer is contrary to the provisions of the SFA. As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the Proposed Placement.
- 3.3.2 Ranking and Dividends. The Placement Shares will be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank pari passu in all respects with and carry all rights and entitlements similar to the existing Shares, except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of the issue of the Placement Shares. As at the date of this announcement, there are no outstanding unexercised warrants issued by the Company.
- 3.3.3 Appointment of Dato' Choo as Director. Subject to completion of the Proposed Placement and with effect from the completion date thereof, Dato Choo will be appointed as a director of the Company.

3.4 Conditions Precedent and Completion

The obligation of the Company and each of the Investors to complete the Proposed Placements are conditional upon a number of conditions (“**Placement Conditions**”) being fulfilled (or waived in accordance with the Subscription Agreements). The key Placement Conditions are set out below:

- (a) the Company having complied with the Notice of Compliance issued by the SGX-ST on 13 April 2018 to the satisfaction of SGX-ST and the resolution thereof being reasonably satisfactory to the Investors;
- (b) the approval, and such approval not having been qualified or withdrawn, of the Shareholders in a general meeting to be convened in compliance with the Listing Rules, of the Proposed Placements, the Proposed Transfer of Controlling Interest and any related transactions as may be required in relation thereto;
- (c) the Company having obtained the confirmation from the SGX-ST that it has no objections to the resumption of trading proposal to be submitted by the Company for the resumption of trading of the Shares (currently suspended since 7 June 2018) on the Main Board of the SGX-ST;

- (d) the Company having obtained the approval granted by the SGX-ST for the extension of time for the Company to comply with Rule 1314(1) of the Listing Rules for its removal from the watch-list of the SGX-ST on which the Company was placed on 3 June 2016;
- (e) the Company having obtained the approval granted by the SGX-ST for the listing of and quotation for the Placement Shares on the SGX-ST; and
- (f) simultaneous completion of each and all of the Subscription Agreements at the completion of the Proposed Disposal pursuant to the SPA.

3.5 Rationale for the Proposed Placements and Use of Proceeds

The Company is undertaking the Proposed Placements to strengthen its financial position. When allotted and issued in full, the estimated net proceeds (“**Net Proceeds**”) from the Proposed Placement, after deducting expenses of approximately S\$450,000.00 incurred in connection with the Proposed Placement, is expected to amount to approximately S\$7,950,000.00.

The Company intends to use the Net Proceeds from the Proposed Placement as follows:

- (a) approximately S\$3,950,000.00 or 49.69 % of the Net Proceeds development of its existing investments, new business investments and acquisitions;
- (b) approximately S\$1,500,000.00 or 18.87% of the Net Proceeds for general working capital purposes; and
- (c) approximately S\$2,500,000.00 or 31.44% for the repayment of outstanding loans owed by the Company.

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.

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.

3.6 Financial Effects of the Proposed Placements

As at the date of this Announcement, the issued and paid up share capital of the Company is S\$121,571,777.00 comprising 4,460,835,645 Shares. On completion of the Proposed Placement, the issued and paid up share capital of the Company will increase to S\$129,971,777.00 comprising 12,860,835,645 Shares.

The tables below illustrate the financial effects of the Proposed Placements on the: (i) NTA per share of the Group; and (ii) the LPS of the Group, based on the latest announced consolidated financial statements of the Group for the eighteen-month period ended 30 June 2018 and the following assumptions:

- (a) the financial effects of the Proposed Placements on the NTA per Share of the Group are computed assuming that the Proposed Placements are completed on 30 June 2018, being the end of the most recently completed eighteen-month period of the Group;
- (b) the financial effects of the Proposed Placements on the EPS of the Group are computed assuming that the Proposed Placements are completed on 1 January 2017, being the beginning of the most recently completed eighteen-month period of the Group;

- (c) all the 8,400,000,000 Placement Shares are issued and allotted to the Investors in aggregate at the Issue Price of S\$0.001 per Placement Share; and
- (c) transactional costs incurred for the Proposed Placements are assumed to be insignificant and as such, have not been taken in account in the computation of the financial effects.

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 Placements.

NTA per Share

	Before the Proposed Placements	After the Proposed Placements
NTA attributable to Shareholders (S\$'000)	2,746	11,146
Number of Shares ('000)	4,460,835	12,860,835
NTA per Share (cents)	0.06	0.09

Loss Per Share

	Before the Proposed Placements	After the Proposed Placements
Net loss attributable to shareholders (S\$'000)	9,677	10,127
Weighted average number of Shares ('000)	4,460,786	12,860,786
Loss Per Share (cents)	0.22	0.08

3.7 Authority for the Issue of the Placement Shares

3.7.1 Specific Mandate

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.

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.

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.

3.7.2 Transfer of Controlling Interest

Pursuant to the proposed allotment and issue of up to 2,500,000,000 Placement Shares to Dato' Choo, Dato' Choo's interest in the Company will be approximately 19.44% of the enlarged share capital of the Company upon completion of the Proposed Placements, and assuming that all the Placement Shares are subscribed.

Pursuant to the proposed allotment and issue of up to 2,000,000,000 Placement Shares to Dato' Lim Soon Huat, Dato' Lim Soon Huat's interest in the Company will be approximately 15.55% of the enlarged share capital of the Company upon completion of the Proposed Placements, and assuming that all the Placement Shares are subscribed.

Accordingly, assuming that the Proposed Placements are completed, upon the allotment and issue of the number of Placement Shares above to Dato' Choo and Dato' Lim Soon Huat, Dato'

Choo and Dato' Lim Soon Huat each 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 the Shareholders in a general meeting. The Company will also be seeking specific Shareholders' approval for the Proposed Transfer of Controlling Interest to Dato' Choo and Dato' Lim Soon Huat pursuant to the Proposed Placements.

4. EGM

The Company will be seeking the approval from the Shareholders at an EGM to be convened for:

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

5. CIRCULAR TO SHAREHOLDERS AND ADDITIONAL LISTING APPLICATION

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

The Company will be submitting an application to the SGX-ST for the listing of and quotation for the Placement Shares on the SGX-ST. The Company will make the necessary announcement(s) once the approval in-principle by the SGX-ST for the listing of and quotation of the Placement Shares on the SGX-ST has been obtained.

6. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for WCY, who will be purchasing the Sale Shares from the Company pursuant to the terms of the SPA and therefore personally interested in the Proposed Disposal, and save for any Shares which they may hold (whether directly or indirectly), none of the Directors and, to the best of the Directors' knowledge, the substantial Shareholders of the Company have any interest, direct or indirect, in the Proposed Disposal and/or the Proposed Placements.

7. 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 Disposal, Proposed Placements 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.

8. DOCUMENTS FOR INSPECTION

A copy of the following documents is available for inspection during normal business hours at the registered office of the Company at 190 Middle Road #19-07 Fortune Centre Singapore 188979 for a period of three (3) months from the date of this announcement:

- (a) the SPA;
- (b) the Subscription Agreements; and
- (c) the Constitution of the Company

10. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Disposal and Placements are subject to the SPA Conditions and Placement Conditions set out above, respectively. There is no certainty or assurance as at the date of this announcement that the Proposed Disposal and 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 and Chief Executive Officer

8 October 2018