INNOPAC HOLDINGS LIMITED

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

PROPOSED DISPOSAL OF SHARES IN SUBSIDIARIES
- SUPPLEMENTAL AGREEMENT

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*Unless otherwise expressly defined or described herein, all capitalised words shall have the same meaning as defined in the Company's announcements on 9 October 2018, 10 December 2018, 19 February 2019 and 4 March 2019 ("**Announcements**").*

1. SUPPLEMENTAL AGREEMENT

The Board refers to the Announcements and wishes to announce that having duly considered the valuation report of the independent valuer as set out in the Company's announcement of 4 March 2019 ("**Valuation Report**"), the Company and WCY have, on 4 April 2019, entered into a supplemental agreement to amend and supplement the terms of the Proposed Disposal under the SPA ("**Supplemental Agreement**"). Pursuant to the Supplemental Agreement, the Company and WCY have mutually agreed to exclude the sale of the Company's shareholding interests in EPL from the Proposed Disposal and revise the Purchase Consideration from S$100,000.00 to S$613.00 ("**Revised Purchase Consideration**"). In addition, the Company and WCY have also mutually agreed to extend the long-stop date for completion of the Proposed Disposal to 30 June 2019.

The Revised Purchase Consideration was arrived at by agreement between the Company and the WCY at arm's length, on a "willing-buyer, willing-seller" basis after taking into consideration the following:

(a) the net book value of the Entities (excluding EPL) ("**Sale Entities**") of approximately negative S$10,648,594, ie. -S$10,648,594 based on the Interim 18 Months Results as well as the net loss (before income tax) attributable to the Sale Entities based on the Interim 18 Months Results. There are no differences when the Revised Purchase Consideration is based on the 18 Months Audited Accounts (as defined below);

(b) the Revised Purchase Consideration represents an excess of S$10,649,207 over the net book value of the Sale Entities (excluding EPL); and

(c) the Market Values (as defined in the Valuation Report) of the Sale Shares as determined by the independent valuer, Censere Singapore Pte Limited in the Valuation Report.

Save for the foregoing revisions, the other terms of the SPA remain unchanged.

2. RULE 1006 BASES AND FINANCIAL EFFECTS

2.1 Based on the audited consolidated financial statements for the 18 month financial period of the Group ended 30 June 2018 issued by the Company's independent auditor, Baker Tilly TFW LLP, on 12 October 2018 ("**18 Months Audited Accounts**"), 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	(392.6)%[(1)]
(b)	The net loss[(2)] attributable to the assets disposed of, compared with the Group's net loss	63.5%
(c)	The aggregate value of the Revised Purchase Consideration, compared with the Company's market capitalisation	0.00%[(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)
(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 audited book value of the Sale Entities as at 30 June 2018 of approximately negative S$10.6 million and the Group's audited net tangible assets as at 30 June 2018 of approximately S$2.7 million.

(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 Sale Entities based on the 18 Months Audited Accounts is approximately S$6.03 million. The Group's net loss based on the 18 Months Audited Accounts is approximately S$9.5 million.

(3) Calculated based on the Revised Purchase Consideration of S$613.00 and the Company's market capitalisation of approximately S$8.92 million as at 1 June 2018, being the last Market Day immediately preceding the date of the SPA on which Shares were traded.

(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.

2.2 The tables below illustrate the financial effects of the Proposed Disposal on the: (i) NTA per share of the Group; and (ii) the Earnings/Loss Per Share ("**EPS**"/"**LPS**") of the Group, based on 18 Months Audited Accounts 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 audited eighteen-month financial 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 audited eighteen-month financial period of the Group; and

(c) transactional costs incurred for the Proposed Disposal are assumed to the 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 18 Months Audited Accounts, the net book value and net loss after tax attributable to the Sale Entities are negative S$10.6 million and S$6.03million, respectively. The Company is expected to record a gain of S$10.6 million from the Proposed Disposal.

NTA per Share

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S$'000)	2,746	13,395
Number of Shares ('000)	4,460,835	4,460,835
NTA per Share (cents)	0.06	0.30

EPS/ (Loss) Per Share

	Before the Proposed Disposal	After the Proposed Disposal
Net gain/(loss) attributable to Shareholders (S$'000)	(9,677)	972
Weighted average number of Shares (excluding treasury shares) ('000)	4,460,786	4,460,786
EPS/(LPS) (cents)	(0.22)	0.02

Gearing

	Before the Proposed Disposal	After the Proposed Disposal
Borrowings (S$'000)[(1)]	0	0
Shareholders Equity (S$'000)	2,746	13,395
Gearing (times)	Not meaningful	Not meaningful

(1) Borrowings is defined as bank borrowings only.

3. CIRCULAR TO SHAREHOLDERS

As set out in the Company's announcement of 9 October 2018, the Proposed Disposal and Proposed Placements are conditional upon the Company having obtained Shareholders' approval at an EGM to be convened. A circular to the Shareholders containing, among others, information on the Proposed Disposal and Proposed Placements will be dispatched to Shareholders in due course.

Shareholders are advised to read the Announcements in their entirety for further details of the Proposed Disposal and Proposed Placements including the principal terms thereof, the SPA Conditions, the Placement Conditions, rationale and use of proceeds.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for any Shares which they may hold (whether directly or indirectly), none of the Directors and, to the best of the Directors' knowledge, none of the substantial Shareholders of the Company have any interest, direct or indirect, in the Proposed Disposal and/or the Proposed Placements.

5. 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, 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.

6. 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 and Supplemental Agreement;

(b) the Subscription Agreements and Extension Letters; and

(c) the Constitution of the Company

7. 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 in the Company's announcement of 9 October 2018, 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

Leng Yew Chee Philip
Executive Director

10 April 2019