INNOPAC HOLDINGS LIMITED

(Company Registration No. 197301788K)
(Incorporated in the Republic of Singapore)

ESTABLISHMENT OF A NEW SUBSIDIARY IN MALAYSIA

The Board of Directors of InnoPac Holdings Limited (the "Company") wishes to announce that it has acquired a shelf company (with no assets and with no liabilities), known as High Flame Terrace Sdn. Bhd. ("HFT"), in Malaysia. Its initial issued and paid up share capital is RM2.00 and is fully subscribed by the Company.

The intended principal business of HFT shall be in the commercial cultivation of microalgae and related downstream activities. Pending approval from the relevant authority, HFT will change its name as Malaysian Microalgae Enterprise Sdn. Bhd.

The Company had announced on 22 September 2015 the signing a joint-venture agreement with Primeforth Renewable Energy Limited ("Primeforth") to incorporate a private limited company in Singapore to commercially cultivate microalgae and engage in its downstream activities in Singapore. The Company has not been able to secure a suitable land in Singapore for this venture and had been in discussion with Primeforth to establish the joint-venture in Malaysia. A variation to the joint-venture agreement signed on 22 September 2015 is being finalised, inter-alia, to record Primeforth's agreement to establish the joint-venture in Malaysia. The Company will make the announcement when the variation agreement to the 22 September 2015 joint-venture agreement is finalised and signed by the Company and Primeforth.

The incorporation/acquisition was funded through internal resources and it is not expected to have any material impact on the earnings per share or the net tangible assets per share of the Group for the current financial year.

None of the Directors or substantial shareholders of the Company (other than in their respective capacities as a director and/or shareholder of the Company) has any direct or indirect interest in the above transaction.

BY ORDER OF THE BOARD OF
INNOPAC HOLDINGS LIMITED

Stanley Chu Kam Po
Company Secretary

30 December 2015