PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF SHARES WITH FREE DETACHABLE WARRANTS

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

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1. INTRODUCTION

1.1 The Directors (the "**Directors**") of Innopac Holdings Limited (the "**Company**") refer to the announcement dated 20 June 2014 released by the Company in connection with the proposed renounceable non-underwritten rights issue of up to 6,930,364,990 new ordinary shares in the capital of the Company (the "**Rights Shares**") at the issue price of S$0.01 for each Rights Share, and up to 3,465,182,495 free detachable warrants (the "**Warrants**"), with each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the "**New Share**") at the exercise price of S$0.012 for each New Share, on the basis of two (2) Rights Shares for every one (1) existing ordinary share held by entitled shareholders as at the books closure date, and one (1) free detachable Warrant for every two (2) Rights Shares subscribed, fractional entitlements to be disregarded (the "**Rights Shares cum Warrants Issue**").

2. APPROVAL IN-PRINCIPLE

2.1 The Directors are pleased to announce that the Company has received approval in-principle from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 12 August 2014 for the dealing and quotation of up to 6,930,364,990 Rights Shares, up to 3,465,182,495 Warrants and up to 3,465,182,495 New Shares (the "**Approval In-Principle**").

2.2 The Approval In-Principle is subject to the following conditions:

(a) compliance with the SGX-ST's listing requirements;

(b) shareholder's approval for the Rights Shares cum Warrants Issue;

(c) a written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(20) of the Listing Manual of the SGX-ST ("**Listing Manual**") in relation to the use of the proceeds from the Rights Shares cum Warrants Issue and from the exercise of the Warrants and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;

(d) a written undertaking from the Company that it will comply with the confirmation given under Rule 877(10) of the Listing Manual with regards to the allotment of any excess Rights Shares;

(e) a written confirmation from the Company that there is a satisfactory spread of warrant holders to provide an orderly market for the Warrants in compliance with Rule 826 of the Listing Manual;

(f) a written confirmation from the Company that the terms of the Warrants do not permit revision of the exercise price/ratio in any form, other than in compliance with Rule 829(1) of the Listing Manual; and

(g) a written undertaking from the Company that Rules 820, 830 and 831 of the Listing Manual will be complied with.

2.3 The Approval In-Principle is not to be taken as an indication of the merits of the Rights Shares cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Company and/or its subsidiaries.

BY ORDER OF THE BOARD OF
INNOPAC HOLDINGS LIMITED

Wong Chin Yong
Managing Director & Chief Executive Officer
12 August 2014