

# INNOPAC HOLDINGS LIMITED

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

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## REPLY TO SGX'S QUERY ON THE COMPANY'S ANNOUNCEMENT ON 6 NOVEMBER 2015 (THE "ANNOUNCEMENT")

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Innopac Holdings Limited (the "Company") refers to SGX's query of 25<sup>th</sup> November 2015 on its 3<sup>rd</sup> quarter and 9 months unaudited results for the period ended on 30<sup>th</sup> September 2015 announcement on 6<sup>th</sup> November 2015 (the "Announcement"), and would like to reply as follows:

### **SGX Query:**

*In the Balance Sheet, "Trade Receivables" amounted to S\$30.9 million. It was mentioned on 10 March 2015 in an announcement to SGX Queries that the counterparty has agreed to settle in cash the balance consideration amounting to S\$26.7 million by 30 September 2015. It was disclosed in paragraph 8 (of the Announcement) that the due date has been extended to 30 September 2016. Please provide details on the reasons for the extension and the terms of the extension.*

### **Reply:**

As disclosed in its 2013 Annual Report (pages 68-69) and 2014 Annual Report (page 68), the Company had entered into a Sale and Purchase agreement ("S&P") to sell certain marketable securities ("Securities") in 2013 for a consideration of S\$65.46 million. The counterparty paid S\$7.2 million on 26 December 2013. The completion of the S&P was to take place on or before 31 December 2013.

The completion did not take place by 31 December 2013 and the Company did not deliver the Securities to the counterparty by 31 December 2013. On 25 March 2014, the Company and the counterparty entered into a Variation Agreement to the S&P to extend the completion date to 31 December 2014.

On 31 December 2014, the Company entered into a further agreement with the counterparty to repurchase the Securities for S\$0.75 million ("Repurchase Price"). The counterparty agreed to settle in cash the balance consideration of S\$57.51 million after deducting the Repurchase Price, by 30 September 2015.

The receivable is S\$57.51 million. The Company had made a provision of S\$26.65 million in FY2014 for the receivable, leaving a net balance of S\$30.9 million recorded as "Trade Receivables" on the Balance Sheet.

The counterparty had confirmed their indebtedness and the Company believes that the debt is recoverable. The counterparty had provided collaterals, the value of which was estimated by the management to be S\$30.86 million, as at 31 December 2014. The Company had made provision of S\$26.65 million being the uncollateralised portion of the receivable due from the counterparty, leaving the net balance of S\$30.9 million shown as "Trade Receivables" on the Balance Sheet.

The counterparty has asked the Company for more time to settle the debt and to extend the settlement date to 30 September 2016.

The Directors of the Company, have reviewed and considered the circumstances of the counterparty and have concluded that it is in the best interest of the Company to extend the settlement date to 30 September 2016, and continue to engage the counterparty on the collection of this debt. There are no additional terms imposed for the extension.

The Company will keep shareholders updated on the collection or settlement of this debt accordingly.

By Order of the Board  
Innopac Holdings Limited

Stanley Chu  
Company Secretary  
27 November 2015