# INNOPAC HOLDINGS LIMITED

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

## REPLY TO SGX'S QUERIES ON THE COMPANY'S 2015 ANNUAL REPORT

Innopac Holdings Limited (the "Company") refers the SGX's queries below on the Company's 2015 Annual Report and the Company replies as follows:

**SGX Query 1:**

It was disclosed that S$10.573 million from the 2013 Share Placement was used for "Business expansion". Please provide details and elaborate on this business expansion.

**Reply 1:**

The S$10.573 million from the 2013 Share Placement proceeds used for "Business expansion" are as follows:

| Year | Particulars | S$'000 |
|---|---|---|
| 2013 | Finder's fees and related expenses for the 2013 share placement | 1,012 |
| 2013 | Expenses for developing green energy business in Malaysia | 6 |
| 2013 | Professional and related fees for the proposed acquisition of 100% share capital in Merlin Diamonds Limited | 340 |
| 2013 - 2015 | Professional and related fees for arrangement of business loans and advisory fee for investment in an unquoted equity fund | 104 |
| 2013 - 2014 | Part consideration for the Company's acquisition of 81.82% of the issued share capital of Extera Pte Ltd and related payments | 7,540 |
| 2014 - 2015 | Professional and due diligence expenses for the Chinese joint venture to distribute clean fuel | 16 |
| 2014 | Expenses for exploring business opportunities in Central Asia | 9 |
| 2015 | Consideration for acquisition of a 50% participating interest in a gold exploration and exploitation concession in the Kyrgyz Republic and related expenses | 718 |
| 2015 | Investment trading and derivatives | 802 |
| 2015 | Expenses for land improvement in Tg. Malim | 26 |
| | **TOTAL** | **10,573** |

**SGX Query 2:**

For the Innopac Share Option Scheme disclosures on page 23 of the Annual Report, please disclose the information in the format required under Listing Rule 852(1).

**Reply 2:**

(a) *The names of the members of the committee administering the scheme.*

The Scheme is administered by the Remuneration Committee ("RC"), which comprises the following directors:

Dato' Moehamad Izat Emir *(Chairman)*
Mr Ong Kah Hock *(Independent Director)*
Mr Wong Chin Yong *(Managing Director & CEO)*

Mr Jeremy Dyer, an independent director of the Company, attended the RC meetings as Mr Wong Chin Yong recused himself from the deliberation and voting.

(b) *The information required in the table below for the following participants:-*

*(i) Directors of the issuer;*
*(ii) Participants who are controlling shareholders of the issuer and their associates; and*
*(iii) Participants, other than those in Rule 852(1)(b)(i) and (ii) above, who receive 5% or more of the total number of options available under the scheme.*

| Name of participant | Options granted during financial year under review (including terms *) | Aggregate options granted since commencement of scheme to end of financial year under review | Aggregate options exercised since commencement of scheme to end of financial year under review | Aggregate options outstanding as at end of financial year under review |
|---|---|---|---|---|
| Dato' Moehamad Izat Emir *(Chairman)* | 10,000,000 | 15,000,000 | (5,000,000) | 10,000,000 |
| Mr Wong Chin Yong *(Managing Director & CEO)* | 50,000,000 | 60,000,000 | (10,000,000) | 50,000,000 |
| Mr Ong Kah Hock *(Independent Director)* | 10,000,000 | 12,500,000 | (2,500,000) | 10,000,000 |
| Mr Arslan Koichiev *(Independent Director)* | 2,000,000 | 2,000,000 | - | 2,000,000 |
| Mr Jeremy Dyer *(Independent Director)* | 2,000,000 | 2,000,000 | - | 2,000,000 |
| Ms Soh Woon Chuen | 8,000,000 | 11,000,000 | (3,000,000) | 8,000,000 |
| Mr Chu Kam Po | 8,000,000 | 10,000,000 | (2,000,000) | 8,000,000 |

* The terms of the options granted during financial year under review are as follows:-
i. Date of grant 28 April 2015
ii Exercise price of options granted S$0.008
iii Number of options granted 95,000,000
iv Market price of its securities on the date of grant S$0.008
v Number of options granted to directors 74,000,000
vi Validity period of the options granted to Group Executives and Group Directors have a life span of ten years (28 April 2015 to 27 April 2025), while those granted to Non-Executive Directors shall have a life span of five years (28 April 2015 to 27 April 2020).

(c) (i) *The names of and number and terms of options granted to each director or employee of the parent company and its subsidiaries who receives 5% or more of the total number of options available to all directors and employees of the parent company and its subsidiaries under the scheme, during the financial year under review*.

Not applicable

(ii) *The aggregate number of options granted to the directors and employees of the parent company and its subsidiaries for the financial year under review, and since the commencement of the scheme to the end of the financial year under review.*

Not applicable

(d) *The number and proportion of options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted*.

The options were not granted at a discount.

**SGX Query 3:**

It was disclosed that "Mr Wong Chin Yong, CEO of the Company, has a 25% participating interest in the unincorporated joint venture of a gold exploration and exploitation concession in the Kyrgyz Republic". Please:-

a) Provide details of this transaction;
b) Provide the value of this transaction;
c) Provide the value at risk from this transaction; and
d) Confirm and provide details on whether Chapter 9 of the Listing Manual has been complied with.

**Reply 3:**

SGX has subsequently clarified that this query is only in relation to interested person transactions under Chapter 9 of the Listing Manual. The Company would only have to answer 3(a), and 3(b) if it has entered into any interested person transaction with Mr Wong.

Nevertheless, and for avoidance of doubt, as disclosed in pages 6 and 68 of the Company's 2015 Annual Report, the Company's wholly-owned subsidiary, Golden Eagle Mining Pte Ltd, acquired its 50% participating interest in a gold exploration and exploitation concession in the Kyrgyz Republic on 15 April 2015 from an unrelated Kyrgyz person who is the sole shareholder of Artel Trade LLC, the owner of the concession and its exploration and exploitation licences.

Mr Wong's 25% participating interest in the gold exploration and exploitation concession was disclosed to the Board of Directors before the Board of Directors and the Company deliberated and decided to acquire the 50% participating interest from the unrelated Kyrgyz person.

The Board of Directors had determined that the Company's acquisition of its 50% participating interest in a gold exploration and exploitation concession through its wholly-owned subsidiary was not an interested person transaction (with Mr Wong).

The Group has invested US$400,000 for the acquisition of the 50% participating interest in the unincorporated joint venture of a gold exploration and exploitation concession in the Kyrgyz Republic, and has funded US$100,000 of US$150,000 of the 2015 work program as of 31 December 2015.

The Company confirms that it has complied with Chapter 9 of the Listing Manual.

**By Order of the Board**
**Innopac Holdings Limited**

Wong Chin Yong
Managing Director & CEO

27th April 2016