
LOAN RESTRUCTURING AGREEMENT

The Board of Directors (“Board”) of Innopac Holdings Limited (“**Company**”) wishes to announce that the Company has entered into a Loan Restructuring Agreement (the “**LRA**”) on 12 July 2019 with Joy Maker International Limited (“**Lender**”).

As announced on 8 October 2018, The Company had on 6 October 2018, entered into the secured loan agreement with Joy Maker International Limited (the “**Lender**”) to lend up to S\$2,500,000.00 to the Company, subject to certain terms and conditions as announced (the “**Loan Agreement**”). Following the rejection of the Company’s application for extension of time to satisfy the requirement under Rule 1314 (1) of the Listing Manual and Circular to Shareholders for a proposed share placement by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), as announced on 29 May 2019, the Company have defaulted on the Loan Agreement. As at 28 July 2019, the total outstanding to the Lender will be S\$1,676,136.37 including all accrued interest (the “**Debt**”). In consideration of the difficulty to raise fresh funding and/or undertaking an asset disposal approach that may be treated by potential buyers as a “fire-sale”, and the Lender forbearing to commence and/or continue legal proceedings to recover the Debt, the Company have successfully entered into an LRA with the Lender to partially settle the S\$1,047,620.02 of the Debt via the transfer of the entire ordinary shares in its subsidiary Inno-Pacific Realty Sdn Bhd (“**IPR**”) to the Lender. The entire ordinary shares of IPR was previously pledged as security under the Loan Agreement. The remainder of the Debt of S\$628,516.35 is restructured and due within twelve (12) months from the date of the LRA.

IPR is a wholly-owned subsidiary of the Company and essentially owns the following assets:

Property	Indicative Valuation
Unit No. 18-03, Clearwater Residence, Jalan Changkat Semantan, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.	RM2,500,000
Lot No. A-2 & A-3A, Ground Floor, Block A, Taman Sungai Mas, Menggatal Town, District of Kota Kinabalu, Malay	RM900,000
Total Indicative Valuation	RM3,400,000

The net consideration of RM3,202,574.41 (equivalent to S\$1,047,620.02 at the rate of S\$1 : RM3.057 as at 12 July 2019) is derived from the indicative valuation of the properties as reflected above, after taking into consideration IPR’s liabilities, will be adjusted accordingly when the final valuation report is obtained from an independent property valuer. In addition, the Company has requested that the Lender extend a further loan drawdown of S\$50,000.00 to fund its working capital as part of the LRA.

Interest of Directors and Substantial Shareholders

None of the directors or their associates, nor (as far as the directors are aware) substantial shareholders of the Company has any interest, direct or indirect, in the LRA, whether financially or otherwise.

Directors’ Responsibility Statement

To the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the LRA, 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. The Board is of the opinion that the transfer of IPR shares to the Lender is below the financial thresholds under Rule 1006 of the Listing Rules of SGX-ST requiring shareholders’ approval and further does not amount to substantial disposal of the whole of the undertakings and assets under section 160 of the Companies Act (Cap 50) of Singapore.

BY ORDER OF THE BOARD
INNOPAC HOLDINGS LIMITED

Leng Yew Chee Philip
Executive Director
16 July 2019