

INNO-PACIFIC HOLDINGS LTD

PROPOSED PLACEMENT

On 10 May 2002, the Board of Directors of Inno-Pacific Holdings Ltd (the "Company") announced that the Company had entered into a Placement Agreement with Kim Eng Ong Asia Securities Pte Ltd ("Placement Agent") to place out up to 62.5 million new ordinary shares of \$0.01 each in the capital of the Company (the "Placement Shares") at the price of \$0.06 per Placement Share.

On 21 May 2002, the Board announced that the Singapore Exchange Securities Trading Limited ("SGX-ST") had given its in-principle approval for the Company's application for the listing and quotation of up to 62.5 million new ordinary shares of \$0.01 each ("Placement Shares") in the capital of the Company. The in-principle approval of the SGX-ST is not an indication of the merits of the Company, its subsidiaries, the Placement and the Placement Shares. SGX-ST assumes no responsibility for the accuracy of any statement made in relation to the Placement Agreement.

The Board of Directors of the Company is pleased to announce that completion of the Placement Agreement has taken place today. A total of 34,850,000 Placement Shares have been placed out by the Placement Agent. Listing and quotation of the said Placement Shares is expected to take place on or around 6 June 2002.

The gross and net proceeds raised from the Placement is \$2,091,000 and \$2,080,231.35 respectively. The Company intends to use the net proceeds of the Placement as follows:-

- (i) approximately \$1million to cover overheads; and
- (ii) approximately \$1million to settle amounts owing to other creditors

By order of the Board

Lee Koh Sing
Company Secretary

Submitted by Jennifer Lee, Company Secretary on 30/05/2002 to the SGX