

INNO-PACIFIC HOLDINGS LTD (“the Company”)

Registration No: 197301788K

Profit Warranty in respect of RR Industrial Packaging & Design Pte Ltd (“RRI”)

Subsequent to the Company’s announcement on 28th February 2006, it has sought legal advice on the disposal of the 60,000,000 Performance Shares returned by the Vendor.

The Company’s wishes to announce that it has been advised that it may sell these shares in the open market to recover the amount owing to the Company by RRI or cancel them by way of a capital reduction.

The Company has decided to sell these shares in the open market to recover the amounts owing by RRI.

The Company has fully provided for its investment in RRI in 2006 and the sale of these shares will not have any significant impact to the financial results of the Group in the next reporting period.

By Order of the Board
Inno-Pacific Holdings Ltd

Wong Chin Yong
Managing Director
1st August 2006