

**TRANSPAC INDUSTRIAL HOLDINGS LIMITED**  
(Registration Number: 199400941K)

***Third Quarter Financial Statement and Dividend Announcement  
ended 30 September 2008***

**THESE FIGURES HAVE NOT BEEN AUDITED.****1(a) An income statement for the Company, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

The Company's results are presented below. The consolidation of the Company's results with Group's results (in accordance with Financial Reporting Standard 27) is presented in para 1(e) to 1(e)(v). The Company is primarily a private equity investment company and investments in subsidiaries are made with the same objective to realize capital gain through disposals just as any other investments made by the Company.

**Income Statement****For the third quarter ended 30 September 2008**

	<b>Company</b>					
	<b>3 mths to 30 Sep 2008 S\$'000</b>	<b>3 mths to 30 Sep 2007 S\$'000</b>	<b>Increase / (Decrease) %</b>	<b>9 mths to 30 Sep 2008 S\$'000</b>	<b>9 mths to 30 Sep 2007 S\$'000</b>	<b>Increase / (Decrease) %</b>
<b>Revenue</b>						
Proceeds from disposal of investments						
- Quoted equity investments	-	44,546	(100)	<b>1,939</b>	135,406	(99)
- Unquoted investments	<b>1,481</b>	1	nm	<b>1,504</b>	17,087	(91)
	<b>1,481</b>	44,547	(97)	<b>3,443</b>	152,493	(98)
Cost of investments disposed of						
- Quoted equity investments	-	(1,421)	(100)	<b>(880)</b>	(4,299)	(80)
- Unquoted investments	<b>(865)</b>	(1)	nm	<b>(1,976)</b>	(12,153)	(84)
	<b>(865)</b>	(1,422)	(39)	<b>(2,856)</b>	(16,452)	(83)
Net gain / (loss) on disposal of						
- Quoted equity investments	-	43,125	(100)	<b>1,059</b>	131,107	(99)
- Unquoted investments	<b>616</b>	-	nm	<b>(472)</b>	4,934	nm
	<b>616</b>	43,125	(99)	<b>587</b>	136,041	(100)
Net change in fair value of investments	<b>(1,866)</b>	(2,025)	(8)	<b>(1,676)</b>	15,921	nm
(Impairment losses) / reversal of impairment losses	<b>(73)</b>	8	nm	<b>1,038</b>	(35)	nm
Net (losses) / gains from investments	<b>(1,323)</b>	41,108	nm	<b>(51)</b>	151,927	nm
Interest income	<b>10</b>	676	(99)	<b>176</b>	2,302	(92)
Dividends/Distributions from unquoted equity investments	-	7,299	(100)	-	27,197	(100)
Dividends from quoted equity investments	<b>188</b>	-	nm	<b>231</b>	87	166
<b>Total investment (expense) / income</b>	<b>(1,125)</b>	49,083	nm	<b>356</b>	181,513	(100)
Operating expenses	<b>(1,201)</b>	2,799	nm	<b>(3,294)</b>	(30,978)	(89)
<b>(Loss) / Profit before income tax</b>	<b>(2,326)</b>	51,882	nm	<b>(2,938)</b>	150,535	nm
Income tax expense	<b>133</b>	(9,343)	nm	<b>133</b>	(27,607)	nm
<b>(Loss) / Profit for the period</b>	<b>(2,193)</b>	42,539	nm	<b>(2,805)</b>	122,928	nm

nm : Not meaningful

## Operating expenses:

	<b>Company</b>			
	<b>3 months to 30 Sep 2008 S\$'000</b>	3 months to 30 Sep 2007 S\$'000	<b>9 months to 30 Sep 2008 S\$'000</b>	9 months to 30 Sep 2007 S\$'000
Performance incentive fees (Note 1)	-	(4,415)	-	26,689
Investment management fees (Note 2)	<b>832</b>	1,392	<b>2,589</b>	3,946
Auditors' remuneration				
- Audit fees				
- Current year	<b>30</b>	30	<b>88</b>	88
- Underprovision in respect of prior year	-	-	<b>11</b>	-
- Other fees	<b>1</b>	15	<b>9</b>	20
Directors' remuneration (Note 3)	<b>70</b>	51	<b>212</b>	154
Interest on borrowings (Note 4)	<b>104</b>	-	<b>104</b>	-
Currency exchange (gain) / loss - net	-	179	<b>(1)</b>	318
Others (Note 5)	<b>164</b>	(51)	<b>282</b>	(237)
	<b><u>1,201</u></b>	<b><u>(2,799)</u></b>	<b><u>3,294</u></b>	<b><u>30,978</u></b>

## Notes :

- (1) Performance incentive fees are charged to the income statement during a period when there is an increase in the Company's NAV. There was no increase in NAV for the period ended 30 September 2008.
- (2) Investment management fees are payable semi-annually and computed based on NAV as at the previous 31 December and 30 June. The NAV as at 30 June 2008 was lower compared to that of the prior year.
- (3) Accrual of directors' fees as approved by shareholders.
- (4) Interest expense incurred on the one-year term loan that was entered into on 31 July 2008.
- (5) Included are legal costs incurred on securing the loan and amortisation of loan transaction costs.

**1(b) A balance sheet for the Company, together with a comparative statement as at the end of the immediately preceding financial year.**

**Balance Sheet as at 30 September 2008**

	<b>Company</b>	
	<b>30 Sep 2008</b>	<b>31 Dec 2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	6,883	39,334
Other current assets (Note 1)	23,936	1,623
Other investment (Note 2)	13,665	16,398
	<b>44,484</b>	<b>57,355</b>
<b>Non-current assets</b>		
Investments		
- Available-for-sale (Note 3)	217,323	179,319
- At fair value through profit or loss (Note 3)	-	82,731
	<b>217,323</b>	<b>262,050</b>
<b>Total assets</b>	<b>261,807</b>	<b>319,405</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables (Note 4)	1,330	17,511
Financial liability (Note 5)	19,688	-
Current income tax liabilities (Note 6)	1,908	25,020
Derivative liability (Note 2)	349	1,406
	<b>23,275</b>	<b>43,937</b>
<b>Non-current liabilities</b>		
Deferred income tax liabilities (Note 7)	5,938	12,081
	<b>5,938</b>	<b>12,081</b>
<b>Total liabilities</b>	<b>29,213</b>	<b>56,018</b>
<b>Net assets</b>	<b>232,594</b>	<b>263,387</b>
<b>Equity</b>		
Share capital	51,000	51,000
Retained earnings	39,172	41,977
Capital reserve	91,526	91,526
Fair value reserve for available-for-sale investments	50,896	78,884
<b>Total equity</b>	<b>232,594</b>	<b>263,387</b>

## Notes:

- (1) Included in other current assets is an advance of S\$22.42 million related to the acquisition of an investment pending completion.
- (2) In 2007, the Company granted a covered call option on 15,183,247 ordinary shares out of its 51,108,025 shares in Hsu Fu Chi International Limited ("HFCL"), in favor of UBS AG at a strike price of US\$1.0048 (approximately S\$1.45) per share. The call options can be exercised any time on or before 28 December 2009. The ownership and legal rights of the option shares were transferred to UBS AG. Consequently, the option shares are derecognised. Nonetheless, the Company retains up to a 1% yield on the option shares for any dividend declared by HFCL during the option period. The option shares are classified as a derivative asset and stated at fair value, based on the underlying investment in HFCL shares, which in turn is based on the market bid price of the shares as at the balance sheet date.

If the call options are not exercised by UBS AG during the option period expiring 28 December 2009, the shares will be returned to the Company. The fair value of the call options as at balance sheet date is estimated using market valuation model that takes into account the terms and conditions under which the call options were granted. The fair values of the derivative asset and the derivative liability as at 30 September 2008 are as follows:

	Derivative asset S\$'000	Derivative liability S\$'000
At 31 December 2007	16,398	(1,406)
Changes in fair value taken to income statement	(2,733)	1,057
At 30 September 2008	13,665	(349)

The changes in the fair values of the derivative asset and derivative liability are recognised in the income statement.

- (3) For the period ended 30 September 2008, the Company has restructured its holdings in investments at fair value through profit or loss such that these investments are now held via a wholly owned subsidiary of the Company, which is classified as available-for-sale investments. The decrease in fair value of the Company's investments arises primarily from the decline in the market value of listed shares (mainly Neo-Neon Holdings Limited and HFCL).
- (4) Performance incentive fees payable as at 31 December 2007 were paid during the period ended 30 September 2008.
- (5) The Company entered into a one-year term loan with United Overseas Bank Limited for a S\$30 million working capital facility to fund operating expenses and any new investments. The loan is secured by 35,924,778 HFCL shares; 13,132,540 Neo-Neon Holdings Limited shares; and an assignment of the Company's rights to any proceeds related to HFCL shares from the call option issued to UBS AG Hong Kong. As at 30 September 2008, S\$20 million was drawn down and net proceeds of S\$19.63 million were received.
- (6) Payment of tax provision for 2007 is being paid in instalments in 2008.
- (7) Deferred income tax liability, which arises from fair value gains on available-for-sale investments at corporate tax rate, declined in accordance to the fair value losses on available-for-sale investments recorded for the period ended 30 September 2008.

**1(c) A cash flow statement for the Company, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Cash Flow Statement**

**For the third quarter ended 30 September 2008**

	<b>Company</b>			
	<b>3 mths to 30 Sep 2008 S\$'000</b>	<b>3 mths to 30 Sep 2007 S\$'000</b>	<b>9 mths to 30 Sep 2008 S\$'000</b>	<b>9 mths to 30 Sep 2007 S\$'000</b>
<b>Cash flows from operating activities</b>				
(Loss) / Profit for the period	(2,193)	42,539	(2,805)	122,928
Adjustments for :				
Amortisation of loan transaction costs	63	-	63	-
Income tax expense	(133)	9,343	(133)	27,607
Interest income	(10)	(676)	(176)	(2,302)
Dividends/Distributions from equity investments	(188)	(7,299)	(231)	(27,284)
Performance incentive fees	-	(4,415)	-	26,689
Net change in fair value of investments	1,866	2,025	1,676	(15,921)
Impairment losses / (reversal of impairment losses)	73	(8)	(1,038)	35
	<u>(522)</u>	<u>41,509</u>	<u>(2,644)</u>	<u>131,752</u>
Changes in operating assets and liabilities:				
Investments	4,065	8,699	11,634	18,540
Other current assets	(10,752)	857	(22,369)	877
Bank deposits not qualifying as cash and cash equivalents	-	389	-	325
Trade and other payables	1,087	1,369	601	1,122
Cash (used in)/generated from operations	<u>(6,122)</u>	<u>52,823</u>	<u>(12,778)</u>	<u>152,616</u>
Dividends/Distributions received from equity investments	188	7,299	231	27,284
Interest received	9	679	232	2,325
Performance incentive fees paid	-	(26,895)	(16,782)	(44,424)
Income taxes paid	<u>(7,660)</u>	<u>(2,726)</u>	<u>(22,979)</u>	<u>(8,178)</u>
<b>Cash flows from operating activities (Note 1)</b>	<u><b>(13,585)</b></u>	<u><b>31,180</b></u>	<u><b>(52,076)</b></u>	<u><b>129,623</b></u>
<b>Financing activities</b>				
Proceeds from placement shares	-	-	-	7,200
Proceeds from borrowings	19,625	-	19,625	-
Capital reduction	-	-	-	(17,160)
Dividends paid	-	(44,000)	-	(124,960)
<b>Cash flows from financing activities</b>	<u><b>19,625</b></u>	<u><b>(44,000)</b></u>	<u><b>19,625</b></u>	<u><b>(134,920)</b></u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>6,040</b>	<b>(12,820)</b>	<b>(32,451)</b>	<b>(5,297)</b>
Cash and cash equivalents at beginning of financial period	<u><b>843</b></u>	<u><b>104,418</b></u>	<u><b>39,334</b></u>	<u><b>96,895</b></u>
<b>Cash and cash equivalents at end of financial period</b>	<u><u><b>6,883</b></u></u>	<u><u><b>91,598</b></u></u>	<u><u><b>6,883</b></u></u>	<u><u><b>91,598</b></u></u>

Note:

- (1) Cash outflows from operations were greater than inflows during the current quarter as a result of an advance for an investment pending completion and instalment payments on income taxes.

**1(d)(i) A statement for the Company showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**COMPANY**

	For the quarter ended 30 September					For the 9 months ended 30 September				
	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
<b>2008</b>										
<b>Balance at beginning of financial period</b>	<b>51,000</b>	<b>91,526</b>	<b>63,050</b>	<b>41,365</b>	<b>246,941</b>	<b>51,000</b>	<b>91,526</b>	<b>78,884</b>	<b>41,977</b>	<b>263,387</b>
Fair value losses on available-for-sale investments	-	-	(14,822)	-	(14,822)	-	-	(34,132)	-	(34,132)
Adjustment to deferred tax liability arising from fair value losses for the period	-	-	2,668	-	2,668	-	-	6,144	-	6,144
Net losses recognised directly in equity	-	-	(12,154)	-	(12,154)	-	-	(27,988)	-	(27,988)
Loss for the period	-	-	-	(2,193)	(2,193)	-	-	-	(2,805)	(2,805)
<b>Total recognised expense for the period</b>	<b>-</b>	<b>-</b>	<b>(12,154)</b>	<b>(2,193)</b>	<b>(14,347)</b>	<b>-</b>	<b>-</b>	<b>(27,988)</b>	<b>(2,805)</b>	<b>(30,793)</b>
<b>Balance at end of financial period</b>	<b>51,000</b>	<b>91,526</b>	<b>50,896</b>	<b>39,172</b>	<b>232,594</b>	<b>51,000</b>	<b>91,526</b>	<b>50,896</b>	<b>39,172</b>	<b>232,594</b>
<b>2007</b>										
<b>Balance at beginning of financial period</b>	<b>110,840</b>	<b>91,526</b>	<b>177,276</b>	<b>33,346</b>	<b>412,988</b>	<b>120,800</b>	<b>91,526</b>	<b>146,159</b>	<b>33,917</b>	<b>392,402</b>
Fair value losses on available-for-sale investments	-	-	(73,571)	-	(73,571)	-	-	(39,359)	-	(39,359)
Adjustment to deferred tax liability arising from fair value losses for the period	-	-	13,243	-	13,243	-	-	10,148	-	10,148
Net losses recognised directly in equity	-	-	(60,328)	-	(60,328)	-	-	(29,211)	-	(29,211)
Profit for the period	-	-	-	42,539	42,539	-	-	-	122,928	122,928
<b>Total recognised income and expense for the period</b>	<b>-</b>	<b>-</b>	<b>(60,328)</b>	<b>42,539</b>	<b>(17,789)</b>	<b>-</b>	<b>-</b>	<b>(29,211)</b>	<b>122,928</b>	<b>93,717</b>
Proceeds from placement shares	-	-	-	-	-	7,200	-	-	-	7,200
Capital reduction	-	-	-	-	-	(17,160)	-	-	-	(17,160)
Dividends for 2006	-	-	-	-	-	-	-	-	(32,560)	(32,560)
Dividends for 2007	-	-	-	(44,000)	(44,000)	-	-	-	(92,400)	(92,400)
<b>Balance at end of financial period</b>	<b>110,840</b>	<b>91,526</b>	<b>116,948</b>	<b>31,885</b>	<b>351,199</b>	<b>110,840</b>	<b>91,526</b>	<b>116,948</b>	<b>31,885</b>	<b>351,199</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's issued share capital since the end of the previous period reported on.

- 1(e)** The consolidation of the Company's results with Group's results (in accordance with Financial Reporting Standard 27) is presented in para 1(e) to 1(e)(v). The Company is primarily a private equity investment company and investment in subsidiaries are made with the same objective to realize capital gain through disposals just as any other investments made by the Company.

The consolidated financial information follows in para 1(e)(i) through 1(e)(v).

**1(e)(i) Income Statement**

**For the third quarter ended 30 September 2008**

	<b>Group</b>					
	<b>3 mths to 30 Sep 2008 S\$'000</b>	<b>3 mths to 30 Sep 2007 S\$'000</b>	<b>Increase / (Decrease) %</b>	<b>9 mths to 30 Sep 2008 S\$'000</b>	<b>9 mths to 30 Sep 2007 S\$'000</b>	<b>Increase / (Decrease) %</b>
Revenue (Note 1)	34,561	25,332	36	94,453	75,773	25
Cost of sales (Note 1)	(20,175)	(13,331)	51	(53,004)	(41,372)	28
<b>Gross profit</b> (Note 1)	<b>14,386</b>	<b>12,001</b>	<b>20</b>	<b>41,449</b>	<b>34,401</b>	<b>20</b>
Net (losses) / gains from investments (Note 2)	(5,182)	47,418	nm	(7,837)	175,040	nm
Interest income	184	964	(81)	621	2,619	(76)
Dividends/Distributions from unquoted investments	-	916	(100)	-	4,286	(100)
Dividends from quoted equity investments	218	(1)	nm	267	95	181
Other operating income	155	(103)	nm	608	361	68
Distribution expenses	(7,240)	(5,356)	35	(17,827)	(15,865)	12
Administrative expenses	(3,814)	(2,808)	36	(9,158)	(8,825)	4
Other operating expenses	(1,464)	2,489	nm	(4,238)	(31,377)	(86)
<b>(Loss) / profit before income tax</b>	<b>(2,757)</b>	<b>55,520</b>	<b>nm</b>	<b>3,885</b>	<b>160,735</b>	<b>(98)</b>
Income tax expense	(798)	(10,046)	(92)	(3,599)	(29,115)	(88)
<b>(Loss) / profit for the period</b>	<b>(3,555)</b>	<b>45,474</b>	<b>nm</b>	<b>286</b>	<b>131,620</b>	<b>(100)</b>
<b>Attributable to:</b>						
Equity holders of the Company	(4,285)	44,579	nm	(3,011)	129,083	nm
Minority interest	730	895	(18)	3,297	2,537	30

**Expenses include the following:**

	<b>Group</b>			
	<b>3 mths to 30 Sep 2008 S\$'000</b>	<b>3 mths to 30 Sep 2007 S\$'000</b>	<b>9 mths to 30 Sep 2008 S\$'000</b>	<b>9 mths to 30 Sep 2007 S\$'000</b>
Performance incentive fees (Note 3)	-	(4,415)	-	26,689
Depreciation of property, plant & equipment	712	673	1,981	1,970
Allowance for impairment of receivables	2	4	2	9
Amortisation of goodwill, trademark & technology right	66	129	193	384
Amortisation of loan transaction costs	63	-	63	-
Loss on disposal of property, plant & equipment	59	62	107	392
Interest on borrowings (Note 4)	104	-	104	-
Currency exchange loss - net	55	235	362	374

nm : Not meaningful

Notes :

**See para 8 for Company level discussion of results.**

- (1) Revenue of S\$34.56 million for the Group represents turnover from the Company's subsidiary, Foodstar Group, which produces and sells soy sauce and other condiments. Sales of soy sauce for the 3 months ended 30 September 2008 were up 36% overall with contribution to the increase from mainly the Fujian Province.
- (2) At the Company level, all its investments are available-for-sale investments and changes in fair value are reflected as a change in the fair value reserve rather than through profit and loss.

The net loss on investments on a Group basis of S\$5.18 million for the third quarter 2008 consists of:

- the net loss from investments of S\$1.32 million arising at the Company level [as described in para 8(a)];
  - a net gain on disposal of investments of S\$0.18 million from consolidated entities; and
  - a net loss of S\$4.04 million arising from the fair value through profit or loss investments held at the Group level. This fair value loss of S\$4.04 million resulted mainly from a decrease in the market value of the listed shares in AEM Holdings Ltd and HFCL of S\$1.17 million and S\$6.54 million respectively, offset by a net reversal of impairment losses on disposals of S\$3.67 million.
- (3) Performance incentive fees are charged to the income statement during a period when there is an increase in the Company's NAV. There was no increase in Company's NAV for the period ended 30 September 2008.
  - (4) Interest expense incurred by the Company on the one-year term loan that was entered into on 31 July 2008.

**1(e)(ii) Balance Sheet as at 30 September 2008**

	<b>Group</b>	
	<b>30 Sep 2008</b>	<b>31 Dec 2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	33,619	77,670
Trade and other receivables (Note 1)	15,263	3,262
Inventories	16,195	10,833
Other current assets (Note 2)	27,838	2,526
Held-to-maturity investments (Note 8)	6,330	-
Available-for-sale investments (Note 8)	3,587	-
Other investment (Note 3)	13,665	16,398
	<b>116,497</b>	<b>110,689</b>
<b>Non-current assets</b>		
Investments		
- Available-for-sale (Note 4)	78,736	108,116
- At fair value through profit or loss (Note 4)	67,383	82,731
	<b>146,119</b>	<b>190,847</b>
Property, plant and equipment	44,479	39,283
Intangible assets	2,340	2,404
Deferred income tax assets	1,801	1,416
	<b>194,739</b>	<b>233,950</b>
<b>Total assets</b>	<b>311,236</b>	<b>344,639</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables (Note 5)	25,712	33,921
Financial liabilities (Note 6)	19,688	-
Current income tax liabilities (Note 7)	2,663	25,968
Derivative liability (Note 3)	349	1,406
	<b>48,412</b>	<b>61,295</b>
<b>Non-current liabilities</b>		
Deferred income tax liabilities (Note 9)	5,938	12,081
	<b>5,938</b>	<b>12,081</b>
<b>Total liabilities</b>	<b>54,350</b>	<b>73,376</b>
<b>Net assets</b>	<b>256,886</b>	<b>271,263</b>
<b>Equity attributable to equity holders of the Company</b>		
Share capital	51,000	51,000
Reserves	126,427	141,998
Retained earnings	51,195	54,811
	<b>228,622</b>	<b>247,809</b>
<b>Minority interest</b>	<b>28,264</b>	<b>23,454</b>
<b>Total equity</b>	<b>256,886</b>	<b>271,263</b>

## Notes:

- (1) Included in trade and other receivables is a prepayment of approximately S\$10 million by Foodstar Group for the purchase of office building in Guangzhou; pending completion of ownership document.
- (2) Included in other current assets is an advance of S\$22.42 million related to the acquisition of an investment pending completion.
- (3) In 2007, the Company granted a covered call option on 15,183,247 ordinary shares out of its 51,108,025 shares in Hsu Fu Chi International Limited ("HFCL"), in favor of UBS AG at a strike price of US\$1.0048 (approximately S\$1.45) per share. The call options can be exercised any time on or before 28 December 2009. The ownership and legal rights of the option shares were transferred to UBS AG. Consequently, the option shares are derecognised. Nonetheless, the Company retains up to a 1% yield on the option shares for any dividend declared by HFCL during the option period. The option shares are classified as a derivative asset and stated at fair value, based on the underlying investment in HFCL shares, which in turn is based on the market bid price of the shares as at the balance sheet date.

If the call options are not exercised by UBS AG during the option period expiring 28 December 2009, the shares will be returned to the Company. The fair value of the call options as at balance sheet date is estimated using market valuation model that takes into account the terms and conditions under which the call options were granted. The fair values of the derivative asset and the derivative liability as at 30 September 2008 are as follows:

	Derivative asset S\$'000	Derivative liability S\$'000
At 31 December 2007	16,398	(1,406)
Changes in fair value taken to income statement	(2,733)	1,057
At 30 September 2008	13,665	(349)

The changes in the fair values of the derivative asset and derivative liability are recognised in the income statement.

- (4) For the period ended 30 September 2008, the Company has restructured its holdings in investments at fair value through profit or loss such that these investments are now held via a wholly owned subsidiary, which is classified as available-for-sale investments. The decrease in fair value of the Company's investments arises primarily from the decline in the market value of listed shares (mainly Neo-Neon Holdings Limited and HFCL).
- (5) Performance incentive fees payable as at 31 December 2007 were paid during the period ended 30 September 2008.
- (6) The Company entered into a one-year term loan with United Overseas Bank Limited for a S\$30 million working capital facility for operating expenses and any new investments. The loan is secured by 35,924,778 HFCL shares; 13,132,540 Neo-Neon Holdings Limited shares; and an assignment of the Company's rights to any proceeds related to HFCL shares from the call option issued to UBS AG Hong Kong. As at 30 September 2008, S\$20 million was drawn down and net proceeds of S\$19.63 million were received.
- (7) Payment of tax provision for 2007 is being paid in instalments in 2008.
- (8) Foodstar Group's short-term investments for higher return on investment.
- (9) Deferred income tax liability, which arises from fair value gains on available-for-sale investments at corporate tax rate, declined in accordance to the fair value losses on available-for-sale investments recorded for the period ended 30 September 2008.

**1(e)(iii) Aggregate amount of Group's borrowing and debt securities.****Amount payable in one year or less, or on demand**

<b>As at 30/9/2008</b>	<b>As at 30/9/2008</b>	<b>As at 31/12/2007</b>	<b>As at 31/12/2007</b>
<b>Secured (S\$'000)</b>	<b>Unsecured (S\$'000)</b>	<b>Secured (S\$'000)</b>	<b>Unsecured (S\$'000)</b>
<b>19,688</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Amount payable after one year**

<b>As at 30/9/2008</b>	<b>As at 30/9/2008</b>	<b>As at 31/12/2007</b>	<b>As at 31/12/2007</b>
<b>Secured (S\$'000)</b>	<b>Unsecured (S\$'000)</b>	<b>Secured (S\$'000)</b>	<b>Unsecured (S\$'000)</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Details of collateral**

The Company's one-year term loan with United Overseas Bank Limited is secured by 35,924,778 HFCL shares; 13,132,540 Neo-Neon Holdings Limited shares and an assignment of the Company's rights to any proceeds related to HFCL shares from the call option issued to UBS AG Hong Kong.

Properties with net book value of S\$8,489,000 (2007:S\$8,210,000) are pledged as security for future credit facilities (2007: S\$5,586,000) by Foodstar Group, one of the Group's consolidated subsidiaries. This pledge has since been released on 6 October 2008 as the Foodstar Group has decided not to renew the credit facilities.

**1(e)(iv) Cash Flow Statement****For the third quarter ended 30 September 2008**

	<b>Group</b>			
	<b>3 mths to 30 Sep 2008 S\$'000</b>	<b>3 mths to 30 Sep 2007 S\$'000</b>	<b>9 mths to 30 Sep 2008 S\$'000</b>	<b>9 mths to 30 Sep 2007 S\$'000</b>
<b>Cash flows from operating activities</b>				
Profit for the period	(3,555)	45,474	286	131,620
Adjustments for:				
Income tax expense	798	10,046	3,599	29,115
Amortisation and depreciation	841	802	2,237	2,354
Interest income	(184)	(964)	(621)	(2,619)
Dividends/Distributions from equity investments	(218)	(915)	(267)	(4,381)
Loss on disposal of property, plant and equipment	59	62	107	392
Reversal of inventory write-down and reversal of allowance for impairment of receivables	(16)	(35)	(16)	(57)
Write-down of inventory and allowance for impairment of receivables	334	5	351	92
Performance incentive fees	-	(4,415)	-	26,689
Net change in fair value of investments	5,643	2,025	9,827	(15,921)
Impairment losses / (reversal of impairment losses)	330	(8)	(821)	75
	<b>4,032</b>	<b>52,077</b>	<b>14,682</b>	<b>167,359</b>
<b>Changes in operating assets and liabilities</b>				
Investments	8,529	8,716	2,084	17,976
Inventories	(1,772)	426	(4,850)	(713)
Trade and other receivables and other current assets	(23,639)	1,259	(36,492)	972
Bank deposits not qualifying as cash and cash equivalents	-	389	-	325
Trade and other payables	3,946	2,099	7,299	259
Cash (used in)/generated from operations	(8,904)	64,966	(17,277)	186,178
Dividends/Distributions received from equity investments	218	915	267	4,381
Net interest received	183	967	677	2,642
Performance incentive fees paid	-	(26,895)	(16,782)	(44,424)
Income taxes and withholding taxes paid	(9,267)	(2,998)	(27,281)	(9,669)
<b>Cash flow from operating activities (Note 1)</b>	<b>(17,770)</b>	<b>36,955</b>	<b>(60,396)</b>	<b>139,108</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment	(1,294)	(1,844)	(4,974)	(4,160)
Proceeds from disposal of property, plant and equipment	4	814	92	838
Refund for pre-operating expenses	18	5	50	39
<b>Cash flow from investing activities</b>	<b>(1,272)</b>	<b>(1,025)</b>	<b>(4,832)</b>	<b>(3,283)</b>
<b>Financing activities</b>				
Proceeds from placement shares	-	-	-	7,200
Proceeds from borrowings	19,625	-	19,625	-
Capital reduction	-	-	-	(17,160)
Dividends paid	-	(44,000)	-	(124,960)
<b>Cash flow from financing activities</b>	<b>19,625</b>	<b>(44,000)</b>	<b>19,625</b>	<b>(134,920)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>583</b>	<b>(8,070)</b>	<b>(45,603)</b>	<b>905</b>
Cash and cash equivalents at beginning of financial period	31,512	130,819	77,670	121,277
Currency translation adjustment	1,524	(339)	1,552	228
<b>Cash and cash equivalents at end of financial period</b>	<b>33,619</b>	<b>122,410</b>	<b>33,619</b>	<b>122,410</b>

Note:

- (1) On a Group basis cash outflows from operating activities exceeds inflows by S\$17.77 million during the third quarter 2008. S\$4.18 million results from consolidated operations (primarily Foodstar Group) and S\$13.59 million from the Company's operations as explained in Note (1) of para 1(c).

**1(e)(v) Statement of Changes in Equity**  
**For the third quarter ended 30 September 2008**

**GROUP**

	For the quarter ended 30 September 2008								For the 9 months ended 30 September 2008							
	Attributable to equity holders of the Company						Minority interests	Total equity	Attributable to equity holders of the Company						Minority interests	Total equity
	Share capital S\$'000	Foreign currency translation reserves S\$'000	Capital and other reserves S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000			Share capital S\$'000	Foreign currency translation reserves S\$'000	Capital and other reserves S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000		
<b>2008</b>																
<b>Balance at beginning of financial period</b>	51,000	394	92,741	37,422	56,085	237,642	26,101	263,743	51,000	204	92,741	49,053	54,811	247,809	23,454	271,263
Fair value losses on available-for-sale investments	-	-	-	(10,753)	-	(10,753)	-	(10,753)	-	-	-	(25,860)	-	(25,860)	-	(25,860)
Adjustment to deferred tax liability arising from fair value losses for the period	-	-	-	2,622	-	2,622	-	2,622	-	-	-	6,098	-	6,098	-	6,098
Currency translation differences	-	3,396	-	-	-	3,396	1,433	4,829	-	3,586	-	-	-	3,586	1,513	5,099
Net gains/(losses) recognised directly in equity	-	3,396	-	(8,131)	-	(4,735)	1,433	(3,302)	-	3,586	-	(19,762)	-	(16,176)	1,513	(14,663)
(Loss)/profit for the period	-	-	-	-	(4,285)	(4,285)	730	(3,555)	-	-	-	-	(3,011)	(3,011)	3,297	286
<b>Total recognised income and expense for the period</b>	-	3,396	-	(8,131)	(4,285)	(9,020)	2,163	(6,857)	-	3,586	-	(19,762)	(3,011)	(19,187)	4,810	(14,377)
Transfer from retained earnings	-	-	605	-	(605)	-	-	-	-	-	605	-	(605)	-	-	-
<b>Balance at end of financial period</b>	51,000	3,790	93,346	29,291	51,195	228,622	28,264	256,886	51,000	3,790	93,346	29,291	51,195	228,622	28,264	256,886

**GROUP**

	For the quarter ended 30 September 2007								For the 9 months ended 30 September 2007							
	Attributable to equity holders of the Company						Minority interests	Total equity	Attributable to equity holders of the Company						Minority interests	Total equity
	Share capital	Foreign currency translation reserves	Capital and other reserves	Fair value reserve	Retained earnings	Total			Share capital	Foreign currency translation reserves	Capital and other reserves	Fair value reserve	Retained earnings	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>2007</b>																
<b>Balance at beginning of financial period</b>	110,840	820	92,708	147,488	41,022	392,878	21,400	414,278	120,800	(274)	92,708	117,140	37,478	367,852	37,136	404,988
Fair value losses on available-for-sale investments	-	-	-	(73,554)	-	(73,554)	-	(73,554)	-	-	-	(40,111)	-	(40,111)	-	(40,111)
Adjustment to deferred tax liability arising from fair value losses for the period	-	-	-	13,243	-	13,243	-	13,243	-	-	-	10,148	-	10,148	-	10,148
Currency translation differences	-	(643)	-	-	-	(643)	(272)	(915)	-	451	-	-	-	451	191	642
Net (losses)/gains recognised directly in equity	-	(643)	-	(60,311)	-	(60,954)	(272)	(61,226)	-	451	-	(29,963)	-	(29,512)	191	(29,321)
Profit for the period	-	-	-	-	44,579	44,579	895	45,474	-	-	-	-	129,083	129,083	2,537	131,620
<b>Total recognised income and expense for the period</b>	-	(643)	-	(60,311)	44,579	(16,375)	623	(15,752)	-	451	-	(29,963)	129,083	99,571	2,728	102,299
Acquisition from minority shareholders in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(416)	(416)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(17,425)	(17,425)
Transfer from retained earnings	-	-	33	-	(33)	-	-	-	-	-	33	-	(33)	-	-	-
Proceeds from placement shares	-	-	-	-	-	-	-	-	7,200	-	-	-	-	7,200	-	7,200
Capital reduction	-	-	-	-	-	-	-	-	(17,160)	-	-	-	-	(17,160)	-	(17,160)
Dividends for 2006	-	-	-	-	-	-	-	-	-	-	-	-	(32,560)	(32,560)	-	(32,560)
Dividends for 2007	-	-	-	-	(44,000)	(44,000)	-	(44,000)	-	-	-	-	(92,400)	(92,400)	-	(92,400)
<b>Balance at end of financial period</b>	110,840	177	92,741	87,177	41,568	332,503	22,023	354,526	110,840	177	92,741	87,177	41,568	332,503	22,023	354,526

- (2) **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by our auditors.

- (3) **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- (4) **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group and the Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting year as compared with the audited financial statements as at 31 December 2007.

- (5) **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Not applicable.

- (6) **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

(Loss) / Earnings per ordinary share  
For the third quarter ended 30 September 2008

<b>Company</b>			
<b>3 mths to 30 Sep 2008</b>	<b>3 mths to 30 Sep 2007</b>	<b>9 mths to 30 Sep 2008</b>	<b>9 mths to 30 Sep 2007</b>
(Loss) / Earnings per ordinary share of the Company after deducting any provisions for preference dividends:			
(a) Based on the weighted average number of ordinary shares on issue; and	(2.49) cts	48.34 cts	(3.19) cts 139.69 cts
(b) On a fully diluted basis	(2.49) cts	48.34 cts	(3.19) cts 139.69 cts
<b>Group</b>			
<b>3 mths to 30 Sep 2008</b>	<b>3 mths to 30 Sep 2007</b>	<b>9 mths to 30 Sep 2008</b>	<b>9 mths to 30 Sep 2007</b>
(Loss) / Earnings per ordinary share of the Group after deducting any provisions for preference dividends:			
(a) Based on the weighted average number of ordinary shares on issue; and	(4.87) cts	50.66 cts	(3.42) cts 146.69 cts
(b) On a fully diluted basis	(4.87) cts	50.66 cts	(3.42) cts 146.69 cts

Note : Basic and diluted earnings per share are computed based on the weighted average number of ordinary shares in issue as at 30 September 2008 of 88,000,004 (30 September 2007 : 88,000,004). There were no outstanding share options during the current reporting period.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

Net asset value per ordinary share  
 As at 30 September 2008

	<b>Company 30 Sep 2008 S\$</b>	<b>Company 31 Dec 2007 S\$</b>
Net asset value per ordinary share based on issued share capital	<b>2.64</b>	2.99

	<b>Group 30 Sep 2008 S\$</b>	<b>Group 31 Dec 2007 S\$</b>
Net asset value per ordinary share based on issued share capital	<b>2.57</b>	2.79

**8. A review of the performance of the Company, to the extent necessary for a reasonable understanding of the Company's business. It must include a discussion of the following:**

- (a) any significant factors that affected the turnover, costs, and earnings of the Company for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Company during the current financial period reported on.**
- (a) The Company's income is primarily derived from the realisation and/or revaluation of investments.

For the third quarter 2008, the Company reported a net loss after tax of S\$2.19 million compared to a net profit after tax of S\$42.54 million for the third quarter 2007. The net loss after tax for the third quarter 2008 of S\$2.19 million resulted from total investment expense of S\$1.12 million, operating expenses of S\$1.20 million and income tax credit of S\$0.13 million. The components of the investment income for the third quarter 2008 are explained below.

For the third quarter 2007, the Company reported net profit after tax of S\$42.54 million that resulted from investment income of S\$49.08 million, positive operating expenses of S\$2.80 million (arising from a reversal of accrual for performance incentive fees due to a decrease in the Company's NAV as at 30 September 2007 compared to 30 June 2007) and income tax expense of S\$9.34 million. Investment income for the third quarter 2007 consisted of net gains from investments of S\$41.11 million, dividend income of S\$7.30 million and interest income of S\$0.67 million.

**Investment income review for the third quarter 2008:**

Total investment expense of S\$1.12 million for the third quarter 2008 consisted of:

- net loss from investments of S\$1.32 million (described below);
- interest income of S\$0.01 million; and
- dividends from quoted investments of S\$0.19 million received from Neo-Neon Holdings Limited.

The net loss from investments of S\$1.32 million resulted from:

- a net gain on disposal of unquoted investments of S\$0.62 million that comprises:
    - S\$1.09 million gains from divestment of More Wealth Investments Limited ;
    - S\$0.02 million recovery proceeds from previously written off investments in Dahe Holding Pte Ltd; and
    - S\$0.25 million, S\$0.22 million and S\$0.02 million losses from divestments of Greenwood International Investments Limited, Ikon Technologies Corporation and Fitlady Company Limited respectively before consideration of the reversal of impairment loss.
  - a net unfavorable change of S\$1.87 million in the fair value of the covered call options granted to UBS AG relating to the shares held in Hsu Fu Chi International Limited.
  - an impairment loss of S\$0.74 million arising from the investment in 3D-Gold Jewellery Holdings Limited (formerly known as Hang Fung Gold Technology Limited). 3D-Gold Jewellery Holdings Limited is unable to meet the demands for repayment of its outstanding debts and its creditors have subsequently petitioned to wind up the company.
  - a write back of the impairment losses of S\$0.67 million previously recognised on the disposals of Greenwood International Investments Limited (S\$0.27 million), Ikon Technologies Corporation (S\$0.26 million) and Fitlady Company Limited (S\$0.14 million).
- (b) The Company's net asset value for the 9 months ended 30 September 2008 decreased to S\$232.59 million from S\$263.39 million as of 31 December 2007 as a result of the loss for the period of S\$2.81 million and a net decrease in fair value reserve for available-for-sale investments of S\$27.99 million. The decrease in the fair value reserve resulted primarily from the decline in market value of listed shares (mainly Neo-Neon Holdings Limited and HFCL) held in the portfolio as well as the sale of certain investments.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or a prospect statement was made previously.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Company operates and any known factors or events that may affect the Company in the next reporting period and the next 12 months.**

Since the second half of 2007, the world economy has plummeted into a credit crisis induced market turmoil, the severity of which has not been seen for decades. Both the value of the Company's investment portfolio as well as the opportunity for divestment have diminished in line with deteriorating market conditions. However, this situation also presents the Company with opportunities to invest in businesses at previously unavailable valuation levels. Hence, the Board is considering fund raising activities to strengthen the Company's ability to capture these investment opportunities when they arise.

**11. Dividend**

**(a) Current financial period reported on**

Any dividend declared for the current financial period reported on? No

**(b) Corresponding period of the immediately preceding financial year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommendeded, a statement to that effect.**

No dividend has been declared for the third quarter ended 30 September 2008.

**13. Confirmation pursuant to rule 705(4) of the listing manual**

The Board has confirmed that to the best of its knowledge, nothing has come to its attention, which may render the unaudited financial results of the Company and the Group for the quarter ended 30 September 2008 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tham Shook Han  
Company Secretary  
13/11/2008