

TRANSPAC INDUSTRIAL HOLDINGS LIMITED
("Company")

Incorporated in the Republic of Singapore
Company Registration Number: 199400941K

Loan to Fortune Code Limited ("FCL")

Certain funds and investment companies (the "ASM group") managed by Argyle Street Management Limited ("Argyle") and the Company had co-invested in Fortune Code Limited ("FCL") with other investors. The equity interests in FCL of the Company and the ASM group are 7.95% and 5.29% respectively.

On and about 21 September 2010, the Company and the ASM group had separately entered into a series of agreements (the "Agreements") to participate in a loan being extended to FCL. The Company's portion of the loan amounting to S\$17.42 million is in the proportion of its equity holdings in FCL. The purpose of the loan is for the acquisition of the additional shares of the underlying investment of FCL.

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

FCL is a joint investment of the Company with the ASM group (including deemed shareholders ASM Asia Recovery (Master) Fund and ASM Hudson River Fund) managed by Argyle, a deemed substantial shareholder of the Company, and other third parties.

Mr Kin Chan, Chairman of the Board of Directors and Ms Angie Li, a Non-Independent Director of the Company, are also Directors of Argyle. Accordingly, Messrs Kin Chan, Angie Li, the ASM group and Argyle disclosed above, are considered interested persons for purposes of Chapter 9 of the Listing Manual.

Save as disclosed in this Announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the joint investment in FCL.

STATEMENT BY AUDIT COMMITTEE

Pursuant to Chapter 9 of the SGX Listing Manual, the Audit Committee, having considered the terms of the Agreements, is of the view that the risks and rewards of the Agreements are in proportion to the equity interests held by the Company and the ASM group. The Audit Committee is also of the view that the terms of the Agreements are not prejudicial to the interests of the Company and its minority shareholders.

Pursuant to Rule 916 of the SGX Listing Manual, the loan to FCL does not require shareholders' approval.

FINANCIAL EFFECTS

The investment in FCL is done in the ordinary course of the Company's business and is classified as an investment available-for-sale. The loan of S\$17.42 million is approximately 5.8% of the Company's Net Asset Value as at 30 June 2010 and 5.5% of the Company's market capitalization as at the date hereof (based on the last traded share price on 20 September 2010 of S\$1.82 and 174,695,570 shares).

DISCLOSURE ANNOUNCEMENTS

For Shareholders' information, this announcement discloses information under Rule 1010 of the Listing Manual. The loan to FCL via the Agreements is made in the ordinary course of business and is not subject to the requirements of Rule 1014 of the Listing Manual and accordingly, the loan is not subject to the approval by the Company's shareholders.

BY ORDER OF THE BOARD OF DIRECTORS

Tham Shook Han
Company Secretary
21 September 2010