

TRANSPAC INDUSTRIAL HOLDINGS LIMITED
(Registration Number: 199400941K)

***First Quarter Financial Statement and Dividend Announcement
for the period ended 31 March 2013***

THESE FIGURES HAVE NOT BEEN AUDITED.

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**1(a)(i) Consolidated Income Statement
For the first quarter ended 31 March 2013**

	Group		
	3 mths to 31 Mar 2013 S\$'000	3 mths to 31 Mar 2012 S\$'000	Increase / (Decrease) %
Dividends/distributions from unquoted equity investments (Note 1)	2,531	-	nm
Net gain on disposal of investments (Note 2)	53,459	9	nm
Net change in fair value of financial instruments (Note 3)	4,949	(370)	nm
Impairment losses (Note 4)	(203)	-	nm
Net gains/(losses) from investments	<u>60,736</u>	<u>(361)</u>	nm
Interest income (Note 5)	562	1,578	(64)
Total investment income	<u>61,298</u>	<u>1,217</u>	4,937
Operating expenses	<u>(14,464)</u>	<u>(1,968)</u>	635
Profit/(loss) before tax	<u>46,834</u>	<u>(751)</u>	nm
Tax (expense)/credit (Note 6)	<u>(5,230)</u>	<u>3,741</u>	nm
Profit for the financial period attributable to owners of the Company	<u><u>41,604</u></u>	<u><u>2,990</u></u>	1,291

nm : Not meaningful

Operating expenses include the following:

	Group		
	3 mths to 31 Mar 2013 S\$'000	3 mths to 31 Mar 2012 S\$'000	Increase / (Decrease) %
Investment management fees (Note 7)	284	465	(39)
Performance incentive fees (Note 8)	14,510	1,331	990
Performance incentive refund (Note 9)	(500)	-	nm
Audit fees paid/payable to:			
- Auditors of the Company for statutory audit of the Company and the Group	32	40	(20)
Non-audit fees paid/payable to:			
- Auditors of the Company	12	6	100
Directors' remuneration	79	73	8
Currency exchange loss - net	2	-	nm
Others	45	53	(15)
	<u><u>14,464</u></u>	<u><u>1,968</u></u>	635

nm : Not meaningful

Notes:

- (1) Total dividends/distributions from unquoted equity investments of S\$2.53 million were received from other Transpac Funds in which the Group holds interests. The distributions were mainly from the divestment of portfolio companies including Pharmstar Limited (“Pharmstar”) and Ethypharm (H.K.) Ltd (“Ethypharm”) amounting to S\$2.2 million and partial refund of the Transpac Funds’ share of contribution towards Foodstar’s Environmental Action Plan (“EAP”) activities of S\$0.33 million.
- (2) Net gain on disposal of investments of S\$53.46 million comprised of (i) proceeds from Foodstar’s accelerated final earn-out payment and partial refund of EAP. Foodstar was divested in November 2010 and under the Stock Purchase Agreement, the sellers are entitled to future earn-out payment based on certain performance criteria. Both buyer and sellers had also contributed a certain sum towards the EAP activities. In January 2013, the final earn-out payment was finalised and paid (including the partial refund of the EAP) to the sellers. The Group’s direct interest in the net proceeds before deducting tax were S\$51.78 million; and (ii) net gain from the divestment of Pharmstar and Ethypharm amounted to S\$1.68 million.
- (3) The favourable change in fair value of financial instruments of S\$4.95 million was attributed to the increase in the Group’s share in the net asset value (“NAV”) of other Transpac Funds. This increase was mainly due to proceeds from the Foodstar’s final earn-out payment.
- (4) Impairment losses of S\$0.2 million was mainly due to the write down of investment in Hansen Limited.
- (5) Interest income of S\$0.56 million included accrual of interest of S\$0.53 million on a loan granted to a portfolio company.
- (6) Tax expense of S\$5.23 million was mainly due to the provision of capital gains tax in relation to Foodstar’s final earn-out payment.
- (7) Investment management fees are payable semi-annually and computed based on NAV of the Company. Decrease in fees as NAV used to compute the fees was lower compared to that of prior year.
- (8) Performance incentive fees are accrued and charged to the income statement when there is an increase in the Company’s NAV over the prior high audited NAV, subject to certain adjustments.
- (9) When the Investment Manager receives performance incentive from both a trust in which the Company has an interest and from the Company on the same assets managed, the Investment Manager will refund the lower of the performance incentive received from the trust and the Company.

1(a)(ii) Consolidated Statement of Comprehensive Income
For the first quarter ended 31 March 2013

	Group		
	3 mths to 31 Mar 2013 S\$'000	3 mths to 31 Mar 2012 S\$'000	Increase / (Decrease) %
Profit for the financial period	41,604	2,990	1,291
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Fair value gains on available-for-sale investments (Note 1)	16,844	6,027	179
Tax expense	-	-	-
Other comprehensive income for the financial period, net of tax	16,844	6,027	179
Total comprehensive income for the financial period attributable to owners of the Company	58,448	9,017	548

Note:

- (1) The fair value gains on available-for-sale investments of S\$16.84 million was mainly attributed to the increase in price of quoted OUE shares which the Group held through Fortune Code Limited ("Fortune Code").

1(b)(i) A statement of financial position for the Group and the Company, together with a comparative statement as at the end of the immediately preceding financial year.

Statements of financial position as at 31 March 2013

	Group		Company	
	31 Mar 2013	31 Dec 2012	31 Mar 2013	31 Dec 2012
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Current assets				
Cash and cash equivalents (Note 1)	60,690	34,855	56,300	34,759
Other receivables (Note 2)	23,974	15,265	18,072	12,661
	84,664	50,120	74,372	47,420
Non-current assets				
Investments				
- Available-for-sale (Note 3)	50,099	33,458	63,166	35,323
- At fair value through profit or loss (Note 4)	6,814	1,865	-	-
	56,913	35,323	63,166	35,323
Loan receivable (Note 5)	26,121	25,588	26,121	25,588
	83,034	60,911	89,287	60,911
Total assets	167,698	111,031	163,659	108,331
Liabilities				
Current liabilities				
Other payables (Note 6)	39,709	19,004	36,338	16,410
Provisions	568	560	491	484
Current tax liabilities	194	194	194	194
Total liabilities	40,471	19,758	37,023	17,088
Net assets	127,227	91,273	126,636	91,243
Equity attributable to owners of the Company				
Share capital	47,496	47,496	47,496	47,496
Retained earnings	43,310	24,200	29,990	22,439
Capital reserve	306	306	306	306
Fair value reserve for available-for-sale investments (Note 7)	36,115	19,271	48,844	21,002
Total equity	127,227	91,273	126,636	91,243

Notes:

- (1) The increase in cash and cash equivalents of S\$25.84 million were mainly from Foodstar's final earn-out payment, partial refund of EAP and divestments proceeds (see Note 1 and 2 on page 2) offset partially by payment of FY 2013 interim dividend of S\$22.49 million in March 2013.
- (2) Included in other receivables were (i) S\$19.49 million retained by the Investment Manager for tax and expenses relating to certain divestments (see Note 6(i) below); (ii) performance incentive fee refund of S\$1.94 million; and (iii) distribution receivable from Transpac Funds of S\$2.53 million.
- (3) The increase in available-for-sale investments of S\$16.64 million was mainly attributed to the increase in fair value of Fortune Code due to the increase in price of its underlying investment in quoted OUE share.
- (4) The increase in investments at fair value through profit or loss of S\$4.95 million was due to the increase in the Group's share in the net asset value of Transpac Funds mainly arising from Foodstar's earn-out payment (see Note 3 on page 2).
- (5) The increase in loan receivable of S\$0.53 million was due to the accrual of interest receivable for the period ended 31 March 2013.
- (6) Other payables included (i) provision of S\$19.49 million for tax and expenses relating to the divestment of certain portfolio companies. The amount was set aside from the sale proceeds and retained by the Investment Manager; and (ii) provision of performance incentive fee of S\$19.44 million.
- (7) Increase in fair value reserve for available-for-sale investments of S\$16.84 million was mainly due to the increase in fair value of Fortune Code (see Note 3 above).

1(b)(ii) Aggregate amount of Group's borrowing and debt securities.

Amount payable in one year or less, or on demand

As at 31/03/2013	As at 31/03/2013	As at 31/12/2012	As at 31/12/2012
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	-	-	-

Amount payable after one year

As at 31/03/2013	As at 31/03/2013	As at 31/12/2012	As at 31/12/2012
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	-	-	-

Details of collateral

Not applicable.

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

**Consolidated Statement of Cash Flows
For the first quarter ended 31 March 2013**

	Group	
	3 mths to 31 Mar 2013 S\$'000	3 mths to 31 Mar 2012 S\$'000
Cash flows from operating activities		
Profit for the financial period	41,604	2,990
Adjustments for:		
Tax expense/(credit)	5,230	(3,741)
Interest income	(562)	(1,578)
Dividends/distributions from equity investments	(2,531)	-
Performance incentive fees	14,510	1,331
Performance incentive fee refund	(500)	-
Net change in fair value of financial instruments	(4,949)	370
Impairment losses of available-for-sale investments	203	-
	<u>53,005</u>	<u>(628)</u>
Changes in operating assets and liabilities		
Other receivables	152	62
Other payables	295	589
Cash generated from operations	<u>53,452</u>	<u>23</u>
Dividends/distributions received from equity investments	78	-
Net interest received	29	50
Tax paid	(5,230)	(253)
Net cash from/(used in) operating activities	<u>48,329</u>	<u>(180)</u>
Cash flows from financing activities		
Proceeds from warrants exercised	-	4
Bonus issue expenses	-	(9)
Dividends paid	(22,494)	-
Net cash used in financing activities	<u>(22,494)</u>	<u>(5)</u>
Net increase/(decrease) in cash and cash equivalents	25,835	(185)
Cash and cash equivalents at beginning of financial period	<u>34,855</u>	<u>91,296</u>
Cash and cash equivalents at end of financial period	<u>60,690</u>	<u>91,111</u>

1(d)(i) A statement for the Group and 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.

**Statements of Changes in Equity
For the first quarter ended 31 March 2013**

Group	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
2013					
At beginning of financial period	47,496	306	19,271	24,200	91,273
Total comprehensive income for the financial period					
Profit for the financial period	-	-	-	41,604	41,604
<u>Other comprehensive income</u>					
Fair value gains on available-for-sale investments	-	-	16,844	-	16,844
Tax expense	-	-	-	-	-
Total other comprehensive income, net of tax	-	-	16,844	-	16,844
Total comprehensive income for the financial period	-	-	16,844	41,604	58,448
Transactions with owners, recorded directly in equity					
<i>Distributions to owners of the Company</i>					
Dividends paid	-	-	-	(22,494)	(22,494)
Total distributions to owners of the Company	-	-	-	(22,494)	(22,494)
At end of financial period	47,496	306	36,115	43,310	127,227
2012					
At beginning of financial period	38,358	91,139	3,544	17,566	150,607
Total comprehensive income for the financial period					
Profit for the financial period	-	-	-	2,990	2,990
<u>Other comprehensive income</u>					
Fair value gains on available-for-sale investments	-	-	6,027	-	6,027
Tax expense	-	-	-	-	-
Total other comprehensive income, net of tax	-	-	6,027	-	6,027
Total comprehensive income for the financial period	-	-	6,027	2,990	9,017
Transactions with owners, recorded directly in equity					
<i>Contributions by owners of the Company</i>					
Proceeds from warrants exercised	4	-	-	-	4
Bonus issue expenses	-	(9)	-	-	(9)
Total contributions by owners of the Company	4	(9)	-	-	(5)
At end of financial period	38,362	91,130	9,571	20,556	159,619

Transpac Industrial Holdings Limited

Company	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
2013					
At beginning of financial period	47,496	306	21,002	22,439	91,243
Total comprehensive income for the financial period					
Profit for the financial period	-	-	-	30,045	30,045
<u>Other comprehensive income</u>					
Fair value gains on available-for-sale investments	-	-	27,842	-	27,842
Tax expense	-	-	-	-	-
Total other comprehensive income, net of tax	-	-	27,842	-	27,842
Total comprehensive income for the financial period	-	-	27,842	30,045	57,887
Transactions with owners, recorded directly in equity					
<i>Distributions to owners of the Company</i>					
Dividends paid		-	-	(22,494)	(22,494)
Total distributions to owners of the Company	-	-	-	(22,494)	(22,494)
At end of financial period	47,496	306	48,844	29,990	126,636
2012					
At beginning of financial period	38,358	91,139	2,385	16,277	148,159
Total comprehensive income for the financial period					
Profit for the financial period	-	-	-	3,360	3,360
<u>Other comprehensive income</u>					
Fair value gains on available-for-sale investments	-	-	5,657	-	5,657
Tax expense	-	-	-	-	-
Total other comprehensive income, net of tax	-	-	5,657	-	5,657
Total comprehensive income for the financial period	-	-	5,657	3,360	9,017
Transactions with owners, recorded directly in equity					
<i>Contributions by owners of the Company</i>					
Proceeds from warrants exercised	4	-	-	-	4
Bonus issue expenses	-	(9)	-	-	(9)
Total contributions by owners of the Company	4	(9)	-	-	(5)
At end of financial period	38,362	91,130	8,042	19,637	157,171

- 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 well as the number of shares held as treasury shares, if any, 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.

There were no outstanding warrants (31 March 2012: 551,982) as at the end of the current financial period reported on.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at the end of the immediately preceding year.**

The Company did not have any treasury shares as at end of the current financial period reported on and as at the end of the immediately preceding financial year.

	31 Mar 2013	31 Dec 2012
Total number of issued shares	<u>234,314,106</u>	<u>234,314,106</u>

- 1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.**

Not applicable.

- 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 had consistently applied the accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared with the audited financial statements for the year ended 31 December 2012.

- 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.

Earnings per ordinary share
For the first quarter ended 31 March 2013

	<u>Group</u>	
	3 mths to 31 Mar 2013	3 mths to 31 Mar 2012
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	17.76 cts	1.71 cts
(b) On a fully diluted basis	17.76 cts	1.70 cts

	<u>Group</u>	
	3 mths to 31 Mar 2013	3 mths to 31 Mar 2012
Earnings per ordinary share has been computed on the following weighted average number of shares:		
(a) Basic	234,314,106	175,241,114
(b) Diluted	234,314,106	175,579,897

7. Net asset value for the Group and the Company per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-

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

	<u>Group</u>		<u>Company</u>	
	31 Mar 2013 S\$	31 Dec 2012 S\$	31 Mar 2013 S\$	31 Dec 2012 S\$
Net asset value per ordinary share based on issued share capital	0.54	0.39	0.54	0.39

Net asset value per ordinary share has been computed based on the number of shares in issue as at 31 March 2013 of 234,314,106 (31 December 2012: 234,314,106).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the Group 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 Group during the current financial period reported on.

The Group's income is primarily derived from the realization and/or revaluation of its investments.

1Q 2013

For the first three months ended 31 March 2013, the Group reported total comprehensive income of S\$58.45 million which included profits realized on divestments and change in fair value of the Group's investments.

The main contribution to total comprehensive income in 1Q 2013 was from the final settlement of Foodstar's earn-out payment (net of tax) and partial refund of EAP of S\$52.52 million¹ (see explanatory notes 1, 2 and 3 on page 2). In addition, the Group also divested its entire interests in Pharmstar and Ethypharm which contributed net gain of S\$3.18 million¹ to the total comprehensive income.

Interest income of S\$0.56 million was mainly from loan granted to a portfolio company.

Fair value gains on available-for-sale investments of S\$16.84 million was mainly attributed to the increase in price of quoted OUE shares held through Fortune Code.

Operating expenses of S\$14.46 million included management fee of S\$0.28 million and net performance incentive fee of S\$14.01 million payable to the Investment Manager.

1Q 2012

In 2012, the Group recorded total comprehensive income of S\$9.02 million mainly due to the fair value gains on investment in Fortune Code of S\$6.03 million and write-back of overprovision of prior year's income tax of S\$3.74 million.

Interest income of S\$1.58 million was mainly from a loan granted to a portfolio company.

Operating expenses were S\$1.97 million which included management fees of S\$0.47 million and performance incentive fees of S\$1.33 million payable to the Investment Manager.

Net Asset Value ("NAV")

The Group's NAV as at 31 March 2013 was S\$127.23 million (representing a NAV of S\$0.54 per share), an increase of S\$35.96 million from the NAV of S\$91.27 million (S\$0.39 per share) as at 31 December 2012.

The increase in NAV of S\$35.96 million was mainly attributed to total proceeds from Foodstar's final earn-out payment and partial refund of EAP of S\$52.52 million, net gains from divestment of Pharmstar and Ethypharm of S\$3.18 million and fair value gains on Fortune Code of S\$16.77 million. The increase was offset partially by interim dividend for FY2013 of S\$22.49 million paid on 19 March 2013 and provision for net performance incentive fees of S\$14.01 million.

¹ Including the Group's indirect interests in the portfolio investments held through other Transpac Funds.

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 prospect statement has been previously made.

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

The anticipated recovery in the first quarter of 2013 for the developed markets of the USA and Japan remained fragile. Sovereign risk issues plagued the European market's recovery trajectory. The orders for the industrial manufacturers in Asia especially China fluctuated significantly. Investment funding needs for the manufacturing and service sectors in Asia continued to be active.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? Yes, interim dividend has been paid on 19 March 2013

Name of dividend	Interim
Dividend Type	Cash
Dividend Amount per ordinary share	S\$0.096
Tax rate	One-tier tax exempt
Date paid	19 March 2013

(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/recommended, a statement to that effect.

Not applicable.

13. Interested person transactions.

The Group does not have a shareholders' mandate for interested person transactions. The following transactions took place between the Group and interested persons during the first quarter ended 31 March 2013:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 in the listing manual of SGX-ST)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 in the listing manual of SGX-ST (excluding transactions less than S\$100,000)
Transpac Capital Pte Ltd, the Investment Manager of the Company - Investment management fees and performance incentive (net of any refund) ¹	S\$'000 14,294	S\$'000 -

¹ The fees are for services rendered by the Investment Manager pursuant to the Management Agreement dated 12 March 1994 (as renewed and amended pursuant to the terms thereof) entered into by the Company. The Management Agreement was disclosed in the Company's prospectus dated 12 March 1994.

14 Confirmation pursuant to Rule 705(5) in the Listing Manual of SGX-ST.

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 Group for the first quarter ended 31 March 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tham Shook Han
Company Secretary
7 May 2013