

TRANSPAC

The Board of Directors of Transpac Industrial Holdings Limited (“TIH”) refers to the first quarter financial statement and dividend announcement for the period ended 31 March 2008 (“the results announcement”) and the following query from the Singapore Exchange Limited (“SGX”):

SGX’s Query:

- (a) We note on Pg 8 of the results announcement that the Company recorded a “Net loss from investments” of S\$7.2m. In respect of the above, to provide the following information:-
- (i) Breakdown of major items contributing to the “Net loss from investments” of S\$7.2m; and
 - (ii) Elaborate on the circumstances giving rise to the “Net loss from investments” of S\$7.2m.

TIH’s Reply:

The SGX’s query relate to the net loss on investments on a group level, which includes earnings of TIH investments that are consolidated under FRS.

- (a) (i) The two items contributing to the net loss from investments on a group basis of S\$7.16m are:
- ◇ a small income of S\$0.06m as described on a company basis in Note 8 (a) of the results announcement; and
 - ◇ a net loss in the fair value of investments held of S\$7.22m for fair value through profit and loss investments consolidated by TIH. (At the company level, all TIH 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.)
- (ii) The circumstance that gives rise to S\$7.22m net loss in the fair value of investments is a decline in fair value through profit or loss investments as a result of decreases in the market value of listed Hsu Fu Chi International Limited (S\$4.03m) and AEM Holdings Ltd (S\$1.50m) as well as currency translation and other fair value losses totaling S\$1.69m. (On a company level, this reduction in fair value decreases the fair value reserve of TIH as well as its net asset value - as commented in Note 8 (b) of the results announcement.)

By order of the Board
Tham Shook Han
Company Secretary
14 May 2008