

TRANSPAC INDUSTRIAL HOLDINGS LIMITED
(Registration Number: 199400941K)

***Half Year Financial Statement and Dividend Announcement
for the period ended 30 June 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 6 months ended 30 June 2008**

	Company 30 Jun 2008 S\$'000	Company 30 Jun 2007 S\$'000	Increase / (Decrease) %
Revenue			
Proceeds from disposal of investments			
- Quoted equity investments	1,939	90,860	(98)
- Unquoted investments	23	17,086	(100)
	1,962	107,946	(98)
Cost of investments disposed of			
- Quoted equity investments	(880)	(2,878)	(69)
- Unquoted investments	(1,111)	(12,152)	(91)
	(1,991)	(15,030)	(87)
Net (loss) / gain on disposal of			
- Quoted equity investments	1,059	87,982	(99)
- Unquoted investments	(1,088)	4,934	nm
	(29)	92,916	nm
Net change in fair value of investments	190	17,946	(99)
Impairment losses (net)	1,111	(43)	nm
Net gains from investments	1,272	110,819	(99)
Interest income	166	1,626	(90)
Dividends/Distributions from unquoted equity investments	-	19,898	nm
Dividends from quoted equity investments	43	87	(51)
Total investment income	1,481	132,430	(99)
Operating expenses	(2,093)	(33,777)	(94)
(Loss) / Profit before income tax	(612)	98,653	nm
Income tax expense	-	(18,264)	nm
(Loss) / Profit for the period	(612)	80,389	nm

nm : Not meaningful

Operating expenses:

	Company 30 Jun 2008 S\$'000	Company 30 Jun 2007 S\$'000
Performance incentive fees (Note 1)	-	31,104
Investment management fees (Note 2)	1,757	2,554
Auditors' remuneration		
- Audit fees		
- Current year	58	58
- Underprovision in respect of prior year	11	-
- Other fees	8	5
Directors' remuneration (Note 3)	142	103
Currency exchange (gain) / loss - net	(1)	139
Other	118	(186)
	2,093	33,777

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 June 2008.
- (2) Investment management fees for 1st half of the year are computed based on NAV as at 31 December of the previous financial year. The NAV as at 31 December 2007 was lower compared to that of the prior year.
- (3) Increase in directors' fees as approved by shareholders.

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 June 2008

	Company 30 Jun 2008 S\$'000	Company 31 Dec 2007 S\$'000
Assets		
Current assets		
Cash and cash equivalents	843	39,334
Other current assets (Note 1)	13,183	1,623
Other investment (Note 2)	16,398	16,398
	30,424	57,355
Non-current assets		
Investments		
- Available-for-sale (Note 3)	236,282	179,319
- At fair value through profit or loss (Note 3)	-	82,731
	236,282	262,050
Total assets	266,706	319,405
Liabilities		
Current liabilities		
Trade and other payables (Note 4)	243	17,511
Current income tax liabilities (Note 5)	9,701	25,020
Derivative liability (Note 2)	1,216	1,406
	11,160	43,937
Non-current liabilities		
Deferred income tax liabilities (Note 6)	8,605	12,081
	8,605	12,081
Total liabilities	19,765	56,018
Net assets	246,941	263,387
Equity		
Share capital	51,000	51,000
Retained earnings	41,365	41,977
Capital reserve	91,526	91,526
Fair value reserve for available-for-sale investments	63,050	78,884
Total equity	246,941	263,387

Notes:

- (1) Included in other current assets is an advance of S\$11.68 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 June 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	-	190
At 30 June 2008	16,398	(1,216)

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 June 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).
- (4) Performance incentive fees payable as at 31 December 2007 were paid during the period ended 30 June 2008.
- (5) Payment of tax provision for 2007 is being paid in instalments in 2008.
- (6) 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 June 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 6 months ended 30 June 2008

	Company 30 Jun 2008 S\$'000	Company 30 Jun 2007 S\$'000
Cash flows from operating activities		
(Loss) / Profit for the period	(612)	80,389
Adjustments for :		
Income tax expense	-	18,264
Interest income	(166)	(1,626)
Dividends/Distributions from equity investments	(43)	(19,985)
Performance incentive fees	-	31,104
Net change in fair value of investments	(190)	(17,946)
Impairment losses (net)	(1,111)	43
	(2,122)	90,243
Changes in operating assets and liabilities:		
Investments	7,569	9,841
Other current assets	(11,617)	20
Bank deposits not qualifying as cash and cash equivalents	-	(64)
Trade and other payables	(486)	(247)
Cash (used in)/generated from operations	(6,656)	99,793
Dividends/Distributions received from equity investments	43	19,985
Interest received	223	1,646
Performance incentive fees paid	(16,782)	(17,529)
Income taxes paid	(15,319)	(5,452)
Cash flows from operating activities (Note 1)	(38,491)	98,443
Financing activities		
Proceeds from placement shares	-	7,200
Capital reduction	-	(17,160)
Dividends paid		(80,960)
Cash flows from financing activities	-	(90,920)
Net (decrease) / increase in cash and cash equivalents	(38,491)	7,523
Cash and cash equivalents at beginning of financial year	39,334	96,895
Cash and cash equivalents at end of financial period (Note 2)	843	104,418

Notes:

(1) Cash outflows from operations were greater than inflows during the current period as a result of an advance for an investment pending completion; payout of performance incentive fees incurred in a prior period and instalment payments on income taxes paid during the 1st half of the year.

(2) For the purposes of the cash flow statement, the cash and cash equivalents comprise the following:

	<u>Company</u>	
	30 Jun 2008	30 Jun 2007
	S\$'000	S\$'000
Cash and cash equivalents as per balance sheet	843	104,807
Less: Bank deposit pledged as security	-	(389)
Cash and cash equivalents as per cash flow statement	<u>843</u>	<u>104,418</u>

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.

**Statement of Changes in Equity
For the 6 months ended 30 June 2008**

Company	Share capital S\$'000	Capital reserve S\$'000	Fair value reserve S\$'000	Retained earnings S\$'000	Total S\$'000
At 1 January 2008	51,000	91,526	78,884	41,977	263,387
Fair value losses on available-for-sale investments	-	-	(19,310)	-	(19,310)
Adjustment to deferred tax liability arising from fair value losses for the period	-	-	3,476	-	3,476
Net losses recognised directly in equity	-	-	(15,834)	-	(15,834)
Loss for the period	-	-	-	(612)	(612)
Total recognised expense for the period	-	-	(15,834)	(612)	(16,446)
At 30 June 2008	51,000	91,526	63,050	41,365	246,941
At 1 January 2007	120,800	91,526	146,159	33,917	392,402
Fair value gains on available-for-sale investments	-	-	34,212	-	34,212
Adjustment to deferred tax liability arising from fair value gains for the period	-	-	(3,095)	-	(3,095)
Net gains recognised directly in equity	-	-	31,117	-	31,117
Profit for the period	-	-	-	80,389	80,389
Total recognised income for the period	-	-	31,117	80,389	111,506
Proceeds from placement shares	7,200	-	-	-	7,200
Capital reduction	(17,160)	-	-	-	(17,160)
Dividends for 2006	-	-	-	(32,560)	(32,560)
Dividends for 2007	-	-	-	(48,400)	(48,400)
At 30 June 2007	110,840	91,526	177,276	33,346	412,988

- 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.**

During the 6 months ended 30 June 2007, the last two instalments of S\$7.2 million were received by the Company in relation to share placement to an affiliate of the Investment Manager in conjunction with the rights issue in 2006.

- 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 6 months ended 30 June 2008

	Group 30 Jun 2008 S\$'000	Group 30 Jun 2007 S\$'000	Increase / (Decrease) %
Revenue (Note 1)	59,892	50,441	19
Cost of sales (Note 1)	(32,829)	(28,041)	17
Gross profit (Note 1)	27,063	22,400	21
Net (losses) / gains from investments (Note 2)	(2,655)	127,622	nm
Interest income	437	1,655	(74)
Dividends/Distributions from unquoted investments	-	3,370	(100)
Dividends from quoted equity investments	49	96	(49)
Other operating income	453	464	(2)
Distribution expenses	(10,587)	(10,509)	1
Administrative expenses	(5,344)	(6,017)	(11)
Other operating expenses (Note 3)	(2,774)	(33,866)	(92)
Profit before income tax	6,642	105,215	(94)
Income tax expense	(2,801)	(19,069)	(85)
Profit for the period	3,841	86,146	(96)
Attributable to:			
Equity holders of the Company	1,274	84,504	(98)
Minority interest	2,567	1,642	56

Expenses include the following:

	Group 30 Jun 2008 S\$'000	Group 30 Jun 2007 S\$'000
Performance incentive fees (Note 3)	-	31,104
Depreciation of property, plant & equipment	1,269	1,297
Allowance for impairment of receivables	-	5
Amortisation of goodwill, trademark & technology right	127	255
Loss on disposal of property, plant & equipment	48	330
Currency exchange loss - net	307	139

nm : Not meaningful

Notes :

See para 8 for Company level discussion of results.

- (1) Revenue of S\$59.89 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 6 months ended 30 June 2008 were up 19% overall with contributions to the increase from all geographic areas.
- (2) 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.

The net loss on investments on a Group basis of S\$2.66 million consists of:

- the net gains from investments of S\$1.27 million arising at the Company level [as described in para 8(a)];
 - a net gain on disposal of investments of S\$0.45m from consolidated entities; and
 - a net loss of S\$4.38 million arising from the fair value through profit or loss investments held at the Group level. This fair value loss of S\$4.38 million results from a decrease in the market value of the listed shares in AEM Holdings Ltd of S\$2.06 million, as well as currency translation and other fair value losses totalling S\$2.32 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 June 2008.

1(e)(ii) Balance Sheet as at 30 June 2008

	Group 30 Jun 2008 S\$'000	Group 31 Dec 2007 S\$'000
Assets		
Current assets		
Cash and cash equivalents	31,512	77,670
Trade and other receivables	4,162	3,262
Inventories	13,947	10,833
Other current assets (Note 1)	14,411	2,526
Held-to-maturity investments (Note 6)	10,000	-
Available-for-sale investments (Note 6)	4,000	-
Other investment (Note 2)	16,398	16,398
	94,430	110,689
Non-current assets		
Investments		
- Available-for-sale (Note 3)	90,424	108,116
- At fair value through profit or loss (Note 3)	74,655	82,731
	165,079	190,847
Property, plant and equipment	41,675	39,283
Intangible assets	2,282	2,404
Deferred income tax assets	1,644	1,416
	210,680	233,950
Total assets	305,110	344,639
Liabilities		
Current liabilities		
Trade and other payables (Note 4)	20,565	33,921
Current income tax liabilities (Note 5)	10,981	25,968
Derivative liability (Note 2)	1,216	1,406
	32,762	61,295
Non-current liabilities		
Deferred income tax liabilities (Note 7)	8,605	12,081
	8,605	12,081
Total liabilities	41,367	73,376
Net assets	263,743	271,263
Equity attributable to equity holders of the Company		
Share capital	51,000	51,000
Reserves	130,557	141,998
Retained earnings	56,085	54,811
	237,642	247,809
Minority interest	26,101	23,454
Total equity	263,743	271,263

Notes:

- (1) Included in other current assets is an advance of S\$11.68 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 June 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	-	190
At 30 June 2008	16,398	(1,216)

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 June 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).
- (4) Performance incentive fees payable as at 31 December 2007 were paid during the period ended 30 June 2008.
- (5) Payment of tax provision for 2007 is being paid in instalments in 2008.
- (6) Foodstar Group's short-term investments for higher return on investment.
- (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 June 2008.

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

As at 30/6/2008	As at 30/6/2008	As at 31/12/2007	As at 31/12/2007
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
0	0	0	0

Amount payable after one year

As at 30/6/2008	As at 30/6/2008	As at 31/12/2007	As at 31/12/2007
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
0	0	0	0

Details of collateral

Properties with net book value of S\$8,108,000 (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.

1(e)(iv) Cash Flow Statement
For the 6 months ended 30 June 2008

	Group 30 Jun 2008 S\$'000	Group 30 Jun 2007 S\$'000
Cash flows from operating activities		
Profit for the period	3,841	86,146
Adjustments for:		
Income tax expense	2,801	19,069
Amortisation and depreciation	1,396	1,552
Interest income	(437)	(1,835)
Dividends/Distributions from equity investments	(49)	(3,466)
Loss on disposal of property, plant and equipment	48	330
Reversal of inventory write-down and reversal of allowance for impairment of receivables	-	(22)
Write-down of inventory and allowance for impairment of receivables	17	87
Performance incentive fees	-	31,104
Net change in fair value of investments	4,184	(17,946)
Impairment losses (net)	(1,151)	83
	10,650	115,102
Changes in operating assets and liabilities		
Investments	(6,445)	9,260
Inventories	(3,078)	(1,139)
Trade and other receivables and other current assets	(12,853)	(287)
Bank deposits not qualifying as cash and cash equivalents	-	(64)
Trade and other payables	3,353	(1,840)
Cash (used in)/generated from operations	(8,373)	121,032
Dividends/Distributions received from equity investments	49	3,466
Net interest received	494	1,855
Performance incentive fees paid	(16,782)	(17,529)
Income taxes and withholding taxes paid	(18,014)	(6,671)
Cash flow from operating activities (Note 1)	(42,626)	102,153
Investing activities		
Purchase of property, plant and equipment	(3,680)	(2,316)
Proceeds from disposal of property, plant and equipment	88	24
Refund for pre-operating expenses	32	34
Cash flow from investing activities	(3,560)	(2,258)
Financing activities		
Proceeds from placement shares	-	7,200
Capital reduction	-	(17,160)
Dividends paid	-	(80,960)
Cash flow from financing activities	-	(90,920)
Net (decrease)/increase in cash and cash equivalents	(46,186)	8,975
Cash and cash equivalents at beginning of financial year	77,670	121,277
Currency translation adjustment	28	567
Cash and cash equivalents at end of financial period (Note 2)	31,512	130,819

Notes:

- (1) On a Group basis cash outflows exceeds inflows by S\$42.63 million during the 1st half of 2008. S\$4.14 million results from consolidated operations (primarily Foodstar Group) and S\$38.49 million from the Company's operations as explained in Note (1) of para 1(c).
- (2) For the purposes of the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

	<u>Group</u>	
	30 Jun 2008 S\$'000	30 Jun 2007 S\$'000
Cash and cash equivalents as per balance sheet	31,512	131,208
Less: Bank deposit pledged as security	-	(389)
Cash and cash equivalents as per consolidated cash flow statement	<u>31,512</u>	<u>130,819</u>

1(e)(v) Statement of Changes in Equity
For the 6 months ended 30 June 2008

Group	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 attributable to equity holders of the Company S\$'000	Minority interest S\$'000	Total S\$'000
Balance at 1 January 2008	51,000	204	92,741	49,053	54,811	247,809	23,454	271,263
Fair value losses on available-for-sale investments	-	-	-	(15,107)	-	(15,107)	-	(15,107)
Adjustment to deferred tax liability arising from fair value losses for the period	-	-	-	3,476	-	3,476	-	3,476
Currency translation differences	-	190	-	-	-	190	80	270
Net gains/(losses) recognised directly in equity	-	190	-	(11,631)	-	(11,441)	80	(11,361)
Profit for the period	-	-	-	-	1,274	1,274	2,567	3,841
Total recognised income and expense for the period	-	190	-	(11,631)	1,274	(10,167)	2,647	(7,520)
Balance at 30 June 2008	51,000	394	92,741	37,422	56,085	237,642	26,101	263,743

Group	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 attributable to equity holders of the Company S\$'000	Minority interest S\$'000	Total S\$'000
Balance at 1 January 2007	120,800	(274)	92,708	117,140	37,478	367,852	37,136	404,988
Fair value gains on available-for-sale investments	-	-	-	33,443	-	33,443	-	33,443
Adjustment to deferred tax liability arising from fair value gains for the period	-	-	-	(3,095)	-	(3,095)	-	(3,095)
Currency translation differences	-	1,094	-	-	-	1,094	463	1,557
Net gains recognised directly in equity	-	1,094	-	30,348	-	31,442	463	31,905
Profit for the period	-	-	-	-	84,504	84,504	1,642	86,146
Total recognised income for the period	-	1,094	-	30,348	84,504	115,946	2,105	118,051
Acquisition from minority shareholders in a subsidiary	-	-	-	-	-	-	(416)	(416)
Disposal of a subsidiary	-	-	-	-	-	-	(17,425)	(17,425)
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	-	-	-	-	(48,400)	(48,400)	-	(48,400)
Balance at 30 June 2007	110,840	820	92,708	147,488	41,022	392,878	21,400	414,278

- (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 6 months ended 30 June 2008

	Company 30 Jun 2008	Company 30 Jun 2007
(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	(0.70) cts	91.35 cts
(b) On a fully diluted basis	(0.70) cts	91.35 cts
	Group 30 Jun 2008	Group 30 Jun 2007
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	1.45 cts	96.03 cts
(b) On a fully diluted basis	1.45 cts	96.03 cts

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 June 2008

	Company 30 Jun 2008 S\$	Company 31 Dec 2007 S\$
Net asset value per ordinary share based on issued share capital	2.81	2.99
	Group 30 Jun 2008 S\$	Group 31 Dec 2007 S\$
Net asset value per ordinary share based on issued share capital	2.67	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 6 months ended 30 June 2008, the Company reported a net loss after tax of S\$0.61 million compared to a net profit after tax of S\$80.39 million for the 6 months ended 30 June 2007. The net loss after tax for the 6 months ended 30 June 2008 of S\$0.61 million resulted from total investment income of S\$1.48 million and operating expenses of S\$2.09 million. The components of the investment expense for the 6 months ended 30 June 2008 is explained below.

For the 6 months ended 30 June 2007, the Company reported net profit after tax of S\$80.39 million that resulted from investment income of S\$132.43 million offset by operating expenses of S\$33.78 million (including performance incentive fees on the Company's rise in NAV subsequent to 31 December 2006) and income tax expense of S\$18.26 million. Investment income for the 6 months ended 30 June 2007 consisted of net gains from investments of S\$110.82 million; dividend income of S\$19.98 million and interest income of S\$1.63 million.

Investment income / (expense) review for the 6 months ended 30 June 2008:

Total investment income of S\$1.48 million for the 6 months ended 30 June 2008 consisted of:

- net gains from investments of S\$1.27 million (described below);
- interest income of S\$0.17 million; and
- dividends of S\$0.04 million from quoted investments received from Hang Fung Gold Technology Limited.

The net gains from investments of S\$1.27 million resulted from:

- a net loss on disposal of quoted and unquoted investments of S\$0.03 million that comprises:
 - S\$1.06 million and S\$0.01 million gains from divestments of Hang Fung Gold Technology Limited and Thai Stainless Steel Co., Ltd respectively; and
 - S\$1.10 million loss from divestment of P.T. Bukaka Teknik Utama before consideration of the reversal of impairment loss.
- a net favorable change of S\$0.19 million in the fair value of the covered call options granted to UBS AG relating to shares held in Hsu Fu Chi International Limited.
- a write back of the impairment loss of S\$1.11 million previously recognised on disposal of P.T. Bukaka Teknik Utama.

- (b) The Company's net asset value for the 6 months ended 30 June 2008 decreased to S\$246.94 million from S\$263.39 million as of 31 December 2007 as a result of the loss for the period of S\$0.61 million (detailed above) and a decrease in fair value reserve for available-for-sale investments of S\$15.84 million. The decrease in the fair value reserve resulted primarily from the decline in market value of listed shares (mainly Neo-Neon Holdings Limited) 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.

The Company continues to prepare its portfolio investments for divestment, but the turbulent investment climate may impact the timing of divestment. Investors should be prepared that the Company may hold its investments until market conditions improve. Accordingly, current and future profitability may not be consistent or constant from one reporting period to another.

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?
Yes

Name of dividend	First Interim	Second Interim
Dividend type	Cash	Cash
Dividend amount per ordinary share	55 cents	50 cents
Tax rate	Exempt (one-tier)	Exempt (one-tier)
Date paid	26 June 2007	6 September 2007

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared for the 6 months ended 30 June 2008.

13. Subsequent events

Subsequent to 30 June 2008, the Company entered into 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.

14. 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 6 months ended 30 June 2008 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tham Shook Han
Company Secretary
12/08/2008