

TRANSPAC INDUSTRIAL HOLDINGS LIMITED

(Registration Number: 199400941K)

***Second Quarter Financial Statement and Dividend Announcement
for the period ended 30 June 2009***

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 paragraph ("para") 1(e) to 1(e)(vi). 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.

1(a)(i) Income Statement
For the second quarter ended 30 June 2009

	Company					
	3 mths to 30 Jun 2009 S\$'000	3 mths to 30 Jun 2008 S\$'000	Increase / (Decrease) %	6 mths to 30 Jun 2009 S\$'000	6 mths to 30 Jun 2008 S\$'000	Increase / (Decrease) %
Revenue						
Proceeds from disposal of investments						
- Quoted equity investments	-	-	-	-	1,939	(100)
- Unquoted investments	<u>1,435</u>	<u>-</u>	nm	<u>1,435</u>	<u>23</u>	6,139
	<u>1,435</u>	<u>-</u>	nm	<u>1,435</u>	<u>1,962</u>	(27)
Cost of investments disposed of						
- Quoted equity investments	-	-	-	-	(880)	(100)
- Unquoted investments	<u>(2,439)</u>	<u>-</u>	nm	<u>(2,439)</u>	<u>(1,111)</u>	120
	<u>(2,439)</u>	<u>-</u>	nm	<u>(2,439)</u>	<u>(1,991)</u>	23
Net loss on disposal of						
- Quoted equity investments	-	-	-	-	1,059	(100)
- Unquoted investments	<u>(1,004)</u>	<u>-</u>	nm	<u>(1,004)</u>	<u>(1,088)</u>	(8)
	<u>(1,004)</u>	<u>-</u>	nm	<u>(1,004)</u>	<u>(29)</u>	3,362
Net change in fair value of financial instruments	<u>3,737</u>	<u>1,654</u>	126	<u>5,275</u>	<u>190</u>	2,676
(Impairment losses)/reversal of impairment losses	<u>(1,812)</u>	<u>-</u>	nm	<u>(1,812)</u>	<u>1,111</u>	nm
Net gains from investments	<u>921</u>	<u>1,654</u>	(44)	<u>2,459</u>	<u>1,272</u>	93
Interest income	<u>8</u>	<u>17</u>	(53)	<u>11</u>	<u>166</u>	(93)
Dividends from quoted equity investments	<u>27</u>	<u>-</u>	nm	<u>27</u>	<u>43</u>	(37)
Total investment income	<u>956</u>	<u>1,671</u>	(43)	<u>2,497</u>	<u>1,481</u>	69
Operating expenses	<u>(905)</u>	<u>(1,052)</u>	(14)	<u>(1,678)</u>	<u>(2,093)</u>	(20)
Finance costs	<u>(241)</u>	<u>-</u>	nm	<u>(506)</u>	<u>-</u>	nm
(Loss)/profit before income tax	<u>(190)</u>	<u>619</u>	nm	<u>313</u>	<u>(612)</u>	nm
Income tax expense	<u>-</u>	<u>-</u>	-	<u>-</u>	<u>-</u>	-
(Loss)/profit for the financial period	<u>(190)</u>	<u>619</u>	nm	<u>313</u>	<u>(612)</u>	nm

nm : Not meaningful

	Company			
	3 mths to	3 mths to	6 mths to	6 mths to
	30 Jun	30 Jun	30 Jun	30 Jun
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Operating expenses :				
Investment management fees (Note 1)	758	879	1,508	1,757
Auditors' remuneration				
- Audit fees				
- Current year	36	29	72	58
- Underprovision in respect of prior year	-	1	-	11
- Non-audit fees	3	7	7	8
Directors' remuneration	73	71	145	142
Currency exchange gain - net	(1)	-	(105)	(1)
Others	36	65	51	118
	<u>905</u>	<u>1,052</u>	<u>1,678</u>	<u>2,093</u>
Finance costs (Note 2) :				
Interest expense on bank loan	65	-	199	-
Amortisation of loan transaction costs	176	-	307	-
	<u>241</u>	<u>-</u>	<u>506</u>	<u>-</u>

Notes :

- (1) Investment management fees are payable semi-annually and computed based on NAV of the Company. Decline in fees as NAV used to compute the fees was lower compared to that of the prior year.
- (2) Finance costs incurred were in relation to the one-year term loan entered into on 30 July 2008.

1(a)(ii) Statement of Comprehensive Income For the second quarter ended 30 June 2009

	Company					
	3 mths to	3 mths to	Increase /	6 mths to	6 mths to	Increase /
	30 Jun	30 Jun	(Decrease)	30 Jun	30 Jun	(Decrease)
	2009	2008		2009	2008	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(Loss)/profit for the financial period	(190)	619	nm	313	(612)	nm
Other comprehensive income/(expense) :						
Fair value gains/(losses) on available-for-sale investments	31,317	1,479	2,017	42,348	(19,310)	nm
Adjustment to deferred tax liability arising from fair value gains/(losses) for the financial period	(5,324)	(266)	1,902	(6,935)	3,476	nm
Other comprehensive income/(expense) for the financial period, net of tax	25,993	1,213	2,043	35,413	(15,834)	nm
Total comprehensive income/(expense) for the financial period	25,803	1,832	1,308	35,726	(16,446)	nm

nm : Not meaningful

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 2009

	Company	
	30 Jun 2009	31 Dec 2008
	S\$'000	S\$'000
Assets		
Current assets		
Cash and cash equivalents	15,394	6,291
Other current assets (Note 1)	879	3,411
Other investments (Note 2)	18,698	12,906
	34,971	22,608
Non-current assets		
Investments		
- Available-for-sale (Note 3)	270,326	232,360
- At fair value through profit or loss (Note 2)	63	-
	270,389	232,360
Total assets	305,360	254,968
Liabilities		
Current liabilities		
Trade and other payables (Note 4)	248	2,288
Bank loan (Note 5)	-	19,693
Current income tax liabilities	808	808
Derivative liability (Note 2)	535	77
	1,591	22,866
Non-current liability		
Deferred income tax liabilities (Note 6)	11,689	4,754
Total liabilities	13,280	27,620
Net assets	292,080	227,348
Equity		
Share capital	80,333	51,000
Retained earnings	39,682	39,369
Capital reserve	91,146	91,473
Fair value reserve for available-for-sale investments (Note 3)	80,919	45,506
Total equity	292,080	227,348

Notes:

- (1) Other current assets decreased on receipt of the divestment proceeds receivable of S\$2.58 million from Sino Automotive Parts Limited that was divested in 2006.

(2)		S\$'000
	Derivative asset (current)	18,675
	Convertible notes at fair value through profit or loss	
	- current	23
	- non-current	63
	At 30 June 2009	<u>18,761</u>

Derivative asset / liability

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 Hong Kong 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. These 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 Hong Kong 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 was estimated using a 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 are as follows:

	Derivative asset S\$'000	Derivative liability S\$'000
At 1 January 2009	12,906	(77)
Changes in fair value taken to income statement	5,769	(458)
At 30 June 2009	<u>18,675</u>	<u>(535)</u>

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

Convertible notes

In April 2009, the investment in IIN Medical (BVI) Group Limited was sold and the bulk of the sales proceeds were received in the form of convertible notes.

In accordance with FRS 39, these convertible notes are designated as financial assets at fair value through profit or loss and are stated at fair value at balance sheet date. The fair value was estimated using a market valuation model that takes into account the terms and conditions upon which the notes were issued. The change in fair value was recognised in the income statement.

- (3) The increase in fair value of the Company's available-for-sale investments were primarily from the increase in the market value of all its listed shares and the increase in fair value of its investment in Foodstar Holdings Pte Ltd. This increase in fair value was recognised in the fair value reserve within equity.
- (4) The decrease in trade and other payables was mainly from the settlement of management fees due to the Investment Manager.
- (5) The bank loan was fully repaid on 21 May 2009.
- (6) Deferred income tax liability, which arises from fair value gains on available-for-sale investments, computed at corporate tax rate, increased in accordance with the fair value gains on available-for-sale investments recorded for the 6 months ended 30 June 2009.

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

Statement of Cash Flows

For the second quarter ended 30 June 2009

	Company			
	3 mths to 30 Jun 2009 S\$'000	3 mths to 30 Jun 2008 S\$'000	6 mths to 30 Jun 2009 S\$'000	6 mths to 30 Jun 2008 S\$'000
Operating activities				
(Loss)/profit for the financial period	(190)	619	313	(612)
Adjustments for :				
Interest expense on bank loan	65	-	199	-
Amortisation of loan transaction costs	176	-	307	-
Income tax expense	-	-	-	-
Interest income	(8)	(17)	(11)	(166)
Dividends/distributions from equity investments	(27)	-	(27)	(43)
Net change in fair value of financial instruments	(3,737)	(1,654)	(5,275)	(190)
Impairment losses/(reversal of impairment losses)	1,812	-	1,812	(1,111)
	(1,909)	(1,052)	(2,682)	(2,122)
Changes in operating assets and liabilities:				
Investments	2,316	5,051	2,448	7,569
Other current assets	(49)	(11,659)	2,533	(11,617)
Trade and other payables	(1,039)	(1,120)	(1,936)	(486)
Cash (used in)/generated from operations	(681)	(8,780)	363	(6,656)
Dividends/distributions received from equity investments	27	-	27	43
Interest received	8	24	10	223
Performance incentive fees paid	-	-	-	(16,782)
Income taxes paid	-	(7,659)	-	(15,319)
Cash flows from operating activities	(646)	(16,415)	400	(38,491)
Financing activities				
Proceeds from rights issue	29,333	-	29,333	-
Interest expense paid	(99)	-	(303)	-
Repayment of bank loan	(20,000)	-	(20,000)	-
Rights issue expenses paid	(309)	-	(327)	-
Cash flows from financing activities	8,925	-	8,703	-
Net increase/(decrease) in cash and cash equivalents	8,279	(16,415)	9,103	(38,491)
Cash and cash equivalents at beginning of financial period	7,115	17,258	6,291	39,334
Cash and cash equivalents at end of financial period	15,394	843	15,394	843

- 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 second quarter ended 30 June 2009

	For the 3 months ended 30 June					For the 6 months ended 30 June				
	Share capital	Capital reserve	Fair value reserve	Retained earnings	Total	Share capital	Capital reserve	Fair value reserve	Retained earnings	Total
COMPANY	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2009										
At beginning of financial period	51,000	91,455	54,926	39,872	237,253	51,000	91,473	45,506	39,369	227,348
Total comprehensive income/(expense) for the financial period	-	-	25,993	(190)	25,803	-	-	35,413	313	35,726
Proceeds from rights issue	29,333	-	-	-	29,333	29,333	-	-	-	29,333
Rights issue expenses (Note 1)	-	(309)	-	-	(309)	-	(327)	-	-	(327)
At end of financial period	80,333	91,146	80,919	39,682	292,080	80,333	91,146	80,919	39,682	292,080
2008										
At beginning of financial period	51,000	91,526	61,837	40,746	245,109	51,000	91,526	78,884	41,977	263,387
Total comprehensive income/(expense) for the financial period	-	-	1,213	619	1,832	-	-	(15,834)	(612)	(16,446)
At end of financial period	51,000	91,526	63,050	41,365	246,941	51,000	91,526	63,050	41,365	246,941

Note :

- (1) Rights issue expenses of approximately S\$309,000 incurred in relation to the Company's renounceable non-underwritten rights issue [see para 1d(ii)] have been directly deducted against the capital reserve.

- 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.**

Changes in the Company's share capital

The Company undertook a renounceable non-underwritten rights issue of up to 29,333,334 new ordinary shares in the capital of the Company ("Rights Shares") at an issue price of S\$1.00 each, with up to 58,666,668 free detachable warrants ("Warrants"), each carrying the right to subscribe for 1 new ordinary share in the capital of the Company ("New Share") at an exercise price of S\$1.00 and as adjusted for any share consolidation or subdivision for each New Share, on the basis of 1 Rights Share for every 3 existing ordinary shares in the capital of the Company. There were 2 Warrants with every Rights Share subscribed.

On 30 April 2009, the Rights cum Warrants issue was completed. 29,333,334 Rights Shares and 58,666,668 Warrants were listed and quoted on the Official List of SGX-ST on 13 May 2009 and 14 May 2009 respectively.

Number of shares that may be issued on conversion of all the outstanding convertibles

As at 30 June 2009, there were 58,666,668 Warrants outstanding, of which 29,333,334 Warrants will expire on 11 May 2010 and 29,333,334 Warrants will expire on 11 May 2012.

Number of shares held as treasury shares

The Company did not have any treasury shares as at 30 June 2009 (30 June 2008 : Nil).

- 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.**

	30 Jun 2009	31 Dec 2008
Total number of issued shares (excluding treasury shares)	<u>117,333,338</u>	<u>88,000,004</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.

- 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)(vi). 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 1(e)(i) through 1(e)(vi).

1(e)(i) Income Statement
For the second quarter ended 30 June 2009

	Group					
	3 mths to 30 Jun 2009 S\$'000	3 mths to 30 Jun 2008 S\$'000	Increase / (Decrease) %	6 mths to 30 Jun 2009 S\$'000	6 mths to 30 Jun 2008 S\$'000	Increase / (Decrease) %
Revenue (Note 1)	32,784	29,857	10	68,782	59,892	15
Cost of sales (Note 1)	(17,859)	(16,651)	7	(37,155)	(32,829)	13
Gross profit (Note 1)	14,925	13,206	13	31,627	27,063	17
Net gains/(losses) from investments (Note 2)	10,150	4,501	126	17,279	(2,655)	nm
Interest income (Note 3)	119	180	(34)	219	491	(55)
Dividends from quoted equity investments	31	-	nm	31	49	(37)
Other operating income	-	-	-	69	400	(83)
Distribution expenses	(6,258)	(5,963)	5	(13,074)	(10,587)	23
Administrative expenses	(2,930)	(2,824)	4	(5,782)	(5,345)	8
Other operating expenses (Note 4)	(1,069)	(1,634)	(35)	(2,017)	(2,774)	(27)
Finance costs (Note 5)	(241)	-	nm	(506)	-	nm
Profit before income tax	14,727	7,466	97	27,846	6,642	319
Income tax expense	(1,207)	(1,685)	(28)	(2,740)	(2,801)	(2)
Profit for the financial period	13,520	5,781	134	25,106	3,841	554
Profit for the financial period attributable to:						
Owners of the Company	12,190	5,021	143	22,147	1,274	1,638
Minority interest	1,330	760	75	2,959	2,567	15
	13,520	5,781	134	25,106	3,841	554

nm : Not meaningful

Expenses include the following:

	Group			
	3 mths to 30 Jun 2009 S\$'000	3 mths to 30 Jun 2008 S\$'000	6 mths to 30 Jun 2009 S\$'000	6 mths to 30 Jun 2008 S\$'000
Depreciation of property, plant and equipment (Note 6)	891	620	1,793	1,269
Amortisation of intangible assets	68	63	139	127
Loss on disposal of property, plant and equipment	18	39	60	48
Finance costs (Note 5) :				
- Interest expense on bank loan	65	-	199	-
- Amortisation of loan transaction costs	176	-	307	-
Currency exchange loss/(gain) - net (Note 7)	4	272	(106)	307
Inventory write-down and allowance for impairment of receivables - net	8	7	(168)	17

Notes :

See para 8 for Company level discussion of results.

- (1) Revenue of S\$32.78 million for the Group represents turnover from the Company's subsidiaries, Foodstar Group, which produces and sells soy sauce and other condiments. Sales for the 3 months ended 30 June 2009 were up 10% overall as a result of increase in sales from several provinces.
- (2) The net gains from investments on the Group basis of S\$10.15 million consisted of:
 - o the net gains from investments of S\$0.92 million arising at the Company level [as described in para 8(a)], and
 - o the net gains from investments of S\$9.23 million arising mainly from the fair value through profit or loss investments held at the Group level. These fair value gains resulted mainly from an increase in the market value of the listed shares in HFCL.
- (3) Decrease in interest income was a result of decline in interest rates globally.
- (4) Decrease in other operating expenses was due to lower investment management fees incurred at Company level for the 3 months ended 30 June 2009. In addition, the costs incurred by Foodstar Group for the 3 months ended 30 June 2008 included a tax review fee in relation to transfer pricing.
- (5) Finance costs incurred were in relation to the one-year term loan entered into on 30 July 2008.
- (6) Increase in depreciation was a result of property, plant and equipment acquired by Foodstar Group.
- (7) The currency exchange loss realised for the 3 months ended 30 June 2008 was mainly a result of distributions received from equity investments in trusts denominated in foreign currency.

1(e)(ii) Statement of Comprehensive Income
For the second quarter ended 30 June 2009

	Group					
	3 mths to 30 Jun 2009 S\$'000	3 mths to 30 Jun 2008 S\$'000	Increase / (Decrease) %	6 mths to 30 Jun 2009 S\$'000	6 mths to 30 Jun 2008 S\$'000	Increase / (Decrease) %
Profit for the financial period	13,520	5,781	134	25,106	3,841	554
Other comprehensive income/(expense) :						
Fair value gains/(losses) on available-for-sale investments	10,968	(1,124)	nm	16,274	(15,107)	nm
Adjustment to deferred tax liability arising from fair value gains/(losses) for the financial period	(5,324)	(266)	1,902	(6,935)	3,476	nm
Currency translation differences	(5,266)	457	nm	682	270	153
Other comprehensive income/(expense) for the financial period, net of tax	378	(933)	nm	10,021	(11,361)	nm
Total comprehensive income/(expense) for the financial period	13,898	4,848	187	35,127	(7,520)	nm
Total comprehensive income/(expense) attributable to:						
Owners of the Company	14,131	3,952	258	31,965	(10,167)	nm
Minority interest	(233)	896	nm	3,162	2,647	19
	13,898	4,848	187	35,127	(7,520)	nm

nm : Not meaningful

1(e)(iii) Balance Sheet as at 30 June 2009

	Group	
	30 Jun 2009	31 Dec 2008
	S\$'000	S\$'000
Assets		
Current assets		
Cash and cash equivalents	54,730	45,048
Trade and other receivables (Note 1)	4,317	7,648
Inventories	16,615	17,515
Other current assets (Note 2)	3,492	4,707
Other investments (Note 3)	18,698	12,906
	97,852	87,824
Non-current assets		
Investments		
- Available-for-sale (Note 4)	108,178	96,292
- At fair value through profit or loss (Note 4)	78,553	65,166
	186,731	161,458
Property, plant and equipment (Note 5)	66,269	55,182
Intangible assets	2,147	2,261
Deferred income tax assets	2,893	2,713
	258,040	221,614
Total assets	355,892	309,438
Liabilities		
Current liabilities		
Trade and other payables	20,616	25,904
Bank loan (Note 6)	-	19,693
Current income tax liabilities	1,853	2,256
Derivative liability (Note 3)	535	77
	23,004	47,930
Non-current liability		
Deferred income tax liabilities (Note 7)	12,413	5,166
Total liabilities	35,417	53,096
Net assets	320,475	256,342
Equity attributable to owners of the Company		
Share capital	80,333	51,000
Reserves (Note 4)	132,414	122,923
Retained earnings	74,968	52,821
	287,715	226,744
Minority interest	32,760	29,598
Total equity	320,475	256,342

Notes:

- (1) The decrease in trade and other receivables was mainly a result of a refund of deposit received by Foodstar Group for onward payment to the Land Bureau for land-use rights in Shanghai.
- (2) Other current assets decreased on receipt of the divestment proceeds receivable from Sino Automotive Parts Limited in February 2009.
- (3) As explained in Note (2) of page 4.
- (4) The increase in fair value of the Group's investments was primarily from the increase in the market value of all its listed shares. This increase in fair value relating to available-for-sale investments and investments at fair value through profit or loss was recognised in the fair value reserve within equity and income statement respectively.
- (5) Increases due primarily to the construction cost of a new plant in Shanghai by Foodstar Group.
- (6) The bank loan was fully repaid on 21 May 2009.
- (7) Deferred income tax liability, which arises primarily from fair value gains on available-for-sale investments, computed at corporate tax rate, increased in accordance with fair value gains on available-for-sale investments recorded for the 6 months ended 30 June 2009.

1(e)(iv) Aggregate amount of Group's borrowing and debt securities.

Amount payable in one year or less, or on demand

As at 30/06/2009	As at 30/06/2009	As at 31/12/2008	As at 31/12/2008
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	-	19,693	-

Amount payable after one year

As at 30/06/2009	As at 30/06/2009	As at 31/12/2008	As at 31/12/2008
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	-	-	-

Details of collateral

As at 31 December 2008, the Company's one-year term loan was secured by 35,924,778 shares in HFCL and 13,132,540 shares in Neo-Neon Holdings Limited with a total carrying amount of S\$34,215,000 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.

The loan was fully repaid on 21 May 2009 and these collaterals pledged have been discharged.

1(e)(v) Statement of Cash Flows
For the second quarter ended 30 June 2009

	Group			
	3 mths to 30 Jun 2009 S\$'000	3 mths to 30 Jun 2008 S\$'000	6 mths to 30 Jun 2009 S\$'000	6 mths to 30 Jun 2008 S\$'000
Operating activities				
Profit for the financial period	13,520	5,781	25,106	3,841
Adjustments for:				
Interest expense on bank loan	65	-	199	-
Amortisation of loan transaction costs	176	-	307	-
Income tax expense	1,207	1,685	2,740	2,801
Amortisation and depreciation	959	683	1,932	1,396
Interest income	(119)	(180)	(219)	(491)
Dividends/distributions from equity investments	(31)	-	(31)	(49)
Loss on disposal of property, plant and equipment	18	39	60	48
Reversal of inventory write-down and reversal of allowance for impairment of receivables	-	-	(202)	-
Write-down of inventory and allowance for impairment of receivables	8	7	34	17
Net change in fair value of financial instruments	(13,074)	(4,501)	(20,203)	4,184
Impairment losses/(reversal of impairment losses)	1,923	-	1,923	(1,151)
	4,652	3,514	11,646	10,596
Changes in operating assets and liabilities				
Investments	3,949	(8,587)	3,948	(6,445)
Inventories	1,436	(2,214)	1,265	(3,078)
Trade and other receivables and other current assets	(1,276)	(11,866)	2,120	(12,853)
Trade and other payables	(1,644)	2,418	(5,505)	3,353
Cash generated from/(used in) operations	7,117	(16,735)	13,474	(8,427)
Dividends/distributions received from equity investments	31	-	31	49
Net interest received	119	187	218	548
Performance incentive fees paid	-	-	-	(16,782)
Income taxes paid	(1,607)	(9,596)	(3,010)	(18,014)
Cash flow from operating activities (Note 1)	5,660	(26,144)	10,713	(42,626)
Investing activities				
Purchase of property, plant and equipment	(3,788)	(1,597)	(7,192)	(3,680)
Prepayments of land-use rights	55	-	(2,899)	-
Proceeds from disposal of property, plant and equipment	16	76	26	88
(Payments)/refund for pre-operating expenses	(31)	(77)	(31)	32
Cash flow from investing activities	(3,748)	(1,598)	(10,096)	(3,560)
Financing activities				
Proceeds from rights issue	29,333	-	29,333	-
Interest expense paid	(99)	-	(303)	-
Repayment of bank loan	(20,000)	-	(20,000)	-
Rights issue expenses paid	(309)	-	(327)	-
Cash flow from financing activities	8,925	-	8,703	-
Net increase/(decrease) in cash and cash equivalents	10,837	(27,742)	9,320	(46,186)
Cash and cash equivalents at beginning of financial period	45,830	59,135	45,048	77,670
Currency translation adjustment	(1,937)	119	362	28
Cash and cash equivalents at end of financial period	54,730	31,512	54,730	31,512

Note :

- (1) On the Group basis, it was a net cash inflow of S\$5.66 million from operating activities, of which the Foodstar Group generated a net cash inflow of S\$6.28 million.

1(e)(vi) Statement of Changes in Equity
For the second quarter ended 30 June 2009

GROUP	For the 3 months ended 30 June								For the 6 months ended 30 June							
	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 owners of the Company S\$'000	Minority interest 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 attributable to owners of the Company S\$'000	Minority interest S\$'000	Total S\$'000
2009																
At beginning of financial period	51,000	7,590	93,273	29,919	62,778	244,560	32,993	277,553	51,000	3,408	93,291	26,224	52,821	226,744	29,598	256,342
Total comprehensive (expense)/income for the financial period	-	(3,703)	-	5,644	12,190	14,131	(233)	13,898	-	479	-	9,339	22,147	31,965	3,162	35,127
Proceeds from rights issue	29,333	-	-	-	-	29,333	-	29,333	29,333	-	-	-	-	29,333	-	29,333
Rights issue expenses (Note 1)	-	-	(309)	-	-	(309)	-	(309)	-	-	(327)	-	-	(327)	-	(327)
At end of financial period	80,333	3,887	92,964	35,563	74,968	287,715	32,760	320,475	80,333	3,887	92,964	35,563	74,968	287,715	32,760	320,475
2008																
At beginning of financial period	51,000	73	92,741	38,812	51,064	233,690	25,205	258,895	51,000	204	92,741	49,053	54,811	247,809	23,454	271,263
Total comprehensive income/(expense) for the financial period	-	321	-	(1,390)	5,021	3,952	896	4,848	-	190	-	(11,631)	1,274	(10,167)	2,647	(7,520)
At end of financial period	51,000	394	92,741	37,422	56,085	237,642	26,101	263,743	51,000	394	92,741	37,422	56,085	237,642	26,101	263,743

Note :

- (1) Rights issue expenses of approximately S\$309,000 incurred in relation to the Company's renounceable non-underwritten rights issue [see para 1d(ii)] have been directly deducted against the capital reserve.

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.

Except as disclosed in para 5 below, the Company and the Group have applied the same 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 2008.

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.

On 1 January 2009, the Company and the Group adopted the new or revised Financial Reporting Standards ("FRS") and interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's and the Group's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The following are the FRS that are relevant to the Company and the Group:

- FRS 1 (revised 2008) *Presentation of Financial Statements*
- FRS 23 (revised 2007) *Borrowing Costs*
- Amendments to FRS 101 *First-time Adoption of Financial Reporting Standards* and FRS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- FRS 108 *Operating Segments*
- Improvements to FRSs 2008

The adoption of the above standards did not result in any substantial changes to the Company's or the Group's accounting policies except as discussed below:

FRS 1 (revised 2008) *Presentation of Financial Statements*

FRS 1 (revised 2008) requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (that is comprehensive income) have been presented in two statements (a separate income statement and statement of comprehensive income).

The comparative figures for the prior period have been reclassified to conform with the current period's presentation.

FRS 1 (revised 2008) does not have any impact on the Company's and the Group's financial position or results.

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/(loss) per ordinary share
For the second quarter ended 30 June 2009

		Company			
	3 mths to 30 Jun 2009	3 mths to 30 Jun 2008	6 mths to 30 Jun 2009	6 mths to 30 Jun 2008	
(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	(0.19) cts	0.70 cts	0.33 cts	(0.70) cts	
(b) On a fully diluted basis	(0.19) cts	0.70 cts	0.33 cts	(0.70) cts	
		Group			
	3 mths to 30 Jun 2009	3 mths to 30 Jun 2008	6 mths to 30 Jun 2009	6 mths to 30 Jun 2008	
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	11.87 cts	5.71 cts	23.23 cts	1.45 cts	
(b) On a fully diluted basis	11.87 cts	5.71 cts	23.23 cts	1.45 cts	
		Company and Group			
	3 mths to 30 Jun 2009	3 mths to 30 Jun 2008	6 mths to 30 Jun 2009	6 mths to 30 Jun 2008	
Earnings per ordinary share has been computed on the following weighted average number of shares :					
(a) Basic	102,666,671	88,000,004	95,333,338	88,000,004	
(b) Diluted	102,666,671	88,000,004	95,333,338	88,000,004	

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 2009

		Company	
	30 Jun 2009	31 Dec 2008	
	S\$	S\$	
Net asset value per ordinary share based on issued share capital	2.49	2.58	
		Group	
	30 Jun 2009	31 Dec 2008	
	S\$	S\$	
Net asset value per ordinary share based on issued share capital	2.43	2.55	

Net asset value per ordinary share has been computed based on the number of shares in issue as at 30 June 2009 of 117,333,338 (31 December 2008 : 88,000,004).

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 3 months ended 30 June 2009, the Company reported a net loss after tax of S\$0.19 million compared to a net gain after tax of S\$0.62 million for the 3 months ended 30 June 2008. The net loss after tax for the 3 months ended 30 June 2009 of S\$0.19 million resulted from total investment income of S\$0.96 million offset by operating expenses of S\$0.91 million and finance costs of S\$0.24 million. The components of the investment income for the 3 months ended 30 June 2009 are explained below.

For the 3 months ended 30 June 2008, the Company reported a net profit after tax of S\$0.62 million resulting from investment income of S\$1.67 million and operating expenses of S\$1.05 million. Investment income for the 3 months ended 30 June 2008 consisted of net gains from investments of S\$1.65 million and interest income of S\$0.02 million.

Investment income review for the 3 months ended 30 June 2009:

Total investment income of S\$0.96 million for the 3 months ended 30 June 2009 consisted of:

- net gains from investments of S\$0.92 million (described below);
- interest income of S\$0.01 million; and
- dividends from quoted investments of S\$0.03 million received from Neo-Neon Holdings Limited.

The net gains from investments of S\$0.92 million resulted from:

- a net loss on disposal of unquoted investments of S\$1.00 million that comprises:
 - S\$0.14 million gain from the divestment of IIN Medical (BVI) Group Limited, and
 - S\$1.08 million loss from the divestment of Kinma Holdings Sdn Bhd and S\$0.06 million loss from the partial divestment of Lee Chi International Holding Ltd, before consideration of the reversal of impairment loss.
- a net favorable change of S\$3.77 million in the fair value of the covered call options granted to UBS AG Hong Kong relating to the shares held in HFCL.
- an unfavorable change in the fair value of the convertible notes of S\$0.04 million.
- impairment losses of S\$3.09 million arising from the investments in Ethypharm HK Limited (S\$2.87 million) and Lee Chi International Holding Ltd (S\$0.22 million).
- a write back of the impairment loss of S\$1.28 million previously recognised on the disposal of Kinma Holdings Sdn Bhd.

- (b) The total comprehensive income of S\$35.72 million for the 6 months ended 30 June 2009 comprised the net gain for the period of S\$0.31 million and a net increase in fair value reserve for available-for-sale investments of S\$35.41 million. The increase in fair value reserve resulted mainly from the increase in market value of all its listed shares and the increase in fair value of its investment in Foodstar Holdings Pte Ltd.
- (c) The Company's net asset value for the 6 months ended 30 June 2009 increased to S\$292.08 million from S\$227.35 million as of 31 December 2008 as a result of a total comprehensive income for the period of S\$35.72 million and proceeds received from rights issue of S\$29.33 million, offset by rights issue expenses deducted from capital reserve of S\$0.32 million.

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 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 Company operates and any known factors or events that may affect the Company in the next reporting period and the next 12 months.

Gradual improvements in the global and regional businesses together with relatively more stable market conditions had stopped the negative impact on the overall value and performance of the Company's investment portfolio. There are some initial signs of opportunities for divestment activities and effort will be put in to capitalise on the suitable opportunities.

The Rights shares and Warrants have been successfully listed and quoted on the SGX-ST.

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 3 months ended 30 June 2009.

13. Interested person transactions.

There were no transactions between the Group and interested persons during the 3 months ended 30 June 2009.

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 Company and the Group for the 3 months ended 30 June 2009 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tham Shook Han
Company Secretary
12 August 2009