

TRANSPAC INDUSTRIAL HOLDINGS LIMITED
(Registration Number: 199400941K)

***Third Quarter Financial Statement and Dividend Announcement
for the period ended 30 September 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 third quarter ended 30 September 2009**

| | Company | | | | | |
|---|--|--|-------------------------------|--|--|-------------------------------|
| | 3 mths to 30 Sep 2009 S\$'000 | 3 mths to 30 Sep 2008 S\$'000 | Increase / (Decrease) % | 9 mths to 30 Sep 2009 S\$'000 | 9 mths to 30 Sep 2008 S\$'000 | Increase / (Decrease) % |
| Revenue | | | | | | |
| Proceeds from disposal of investments | | | | | | |
| - Quoted equity investments | 55,673 | - | nm | 55,673 | 1,939 | 2,771 |
| - Unquoted investments | - | 1,481 | (100) | 1,435 | 1,504 | (5) |
| | <u>55,673</u> | <u>1,481</u> | 3,659 | <u>57,108</u> | <u>3,443</u> | 1,559 |
| Cost of investments disposed of | | | | | | |
| - Quoted equity investments | (4,878) | - | nm | (4,878) | (880) | 454 |
| - Unquoted investments | - | (865) | (100) | (2,439) | (1,976) | 23 |
| | <u>(4,878)</u> | <u>(865)</u> | 464 | <u>(7,317)</u> | <u>(2,856)</u> | 156 |
| Net gain on disposal of | | | | | | |
| - Quoted equity investments | 50,795 | - | nm | 50,795 | 1,059 | 4,697 |
| - Unquoted investments | - | 616 | (100) | (1,004) | (472) | 113 |
| | <u>50,795</u> | <u>616</u> | 8,146 | <u>49,791</u> | <u>587</u> | 8,382 |
| Net change in fair value of financial instruments | 3,131 | (1,866) | nm | 8,406 | (1,676) | nm |
| (Impairment losses)/reversal of impairment losses | - | (73) | (100) | (1,812) | 1,038 | nm |
| Net gains/(losses) from investments | <u>53,926</u> | <u>(1,323)</u> | nm | <u>56,385</u> | <u>(51)</u> | nm |
| Interest income | 10 | 10 | - | 21 | 176 | (88) |
| Dividends from quoted equity investments | - | 188 | (100) | 27 | 231 | (88) |
| Total investment income/(expense) | <u>53,936</u> | <u>(1,125)</u> | nm | <u>56,433</u> | <u>356</u> | nm |
| Operating expenses | (5,937) | (1,034) | 474 | (7,615) | (3,127) | 144 |
| Finance costs | - | (167) | nm | (506) | (167) | 203 |
| Profit/(loss) before income tax | <u>47,999</u> | <u>(2,326)</u> | nm | <u>48,312</u> | <u>(2,938)</u> | nm |
| Income tax expense | (7,929) | 133 | nm | (7,929) | 133 | nm |
| Profit/(loss) for the financial period | <u>40,070</u> | <u>(2,193)</u> | nm | <u>40,383</u> | <u>(2,805)</u> | nm |

nm : Not meaningful

| | Company | | | |
|---|--|--|--|--|
| | 3 mths to 30 Sep 2009 S\$'000 | 3 mths to 30 Sep 2008 S\$'000 | 9 mths to 30 Sep 2009 S\$'000 | 9 mths to 30 Sep 2008 S\$'000 |
| Operating expenses : | | | | |
| Performance incentive fees (Note 1) | 4,750 | - | 4,750 | - |
| Investment management fees (Note 2) | 985 | 832 | 2,493 | 2,589 |
| Auditors' remuneration | | | | |
| - Audit fees | | | | |
| - Current year | 37 | 30 | 109 | 88 |
| - Underprovision in respect of prior year | - | - | - | 11 |
| - Non-audit fees | 2 | 1 | 9 | 9 |
| Directors' remuneration | 72 | 70 | 217 | 212 |
| Currency exchange gain - net | - | - | (105) | (1) |
| Others | 91 | 101 | 142 | 219 |
| | <u>5,937</u> | <u>1,034</u> | <u>7,615</u> | <u>3,127</u> |
| Finance costs (Note 3) : | | | | |
| Interest expense on bank loan | - | 104 | 199 | 104 |
| Amortisation of loan transaction costs | - | 63 | 307 | 63 |
| | <u>-</u> | <u>167</u> | <u>506</u> | <u>167</u> |

Notes :

- (1) Performance incentive fees are accrued and charged to the income statement as there was an increase in the Company's NAV over the prior high audited NAV.
- (2) Investment management fees are payable semi-annually and computed based on NAV of the Company. Increase in fees as NAV used to compute the fees was higher compared to that of the prior year.
- (3) The bank loan was fully repaid on 21 May 2009.

**1(a)(ii) Statement of Comprehensive Income
For the third quarter ended 30 September 2009**

| | Company | | | | | |
|--|--|--|-------------------------------|--|--|-------------------------------|
| | 3 mths to 30 Sep 2009 S\$'000 | 3 mths to 30 Sep 2008 S\$'000 | Increase / (Decrease) % | 9 mths to 30 Sep 2009 S\$'000 | 9 mths to 30 Sep 2008 S\$'000 | Increase / (Decrease) % |
| | Profit/(loss) for the financial period | 40,070 | (2,193) | nm | 40,383 | (2,805) |
| Other comprehensive (expense)/income : | | | | | | |
| Fair value (losses)/gains on available-for-sale investments (Note 1) | (26,472) | (14,822) | 79 | 15,876 | (34,132) | nm |
| Adjustment to deferred tax liability arising from fair value (losses)/gains for the financial period | 4,500 | 2,668 | 69 | (2,435) | 6,144 | nm |
| Other comprehensive (expense)/income for the financial period, net of tax | (21,972) | (12,154) | 81 | 13,441 | (27,988) | nm |
| Total comprehensive income/(expense) for the financial period | 18,098 | (14,347) | nm | 53,824 | (30,793) | nm |

nm : Not meaningful

Note :

- (1) For the 3 months ended 30 September 2009, there was an increase in fair value of the Company's investments of S\$12.84 million, arising mainly from its listed shares. This was offset by the reversal of fair value gain of S\$39.31 million from the fair value reserve upon divestment of Hsu Fu Chi International Limited ("HFCL") shares.

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 September 2009

| | Company | |
|--|--------------------|--------------------|
| | 30 Sep 2009 | 31 Dec 2008 |
| | S\$'000 | S\$'000 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents (Note 1) | 81,826 | 6,291 |
| Other current assets (Note 2) | 856 | 3,411 |
| Other investments (Note 3) | 25,825 | 12,906 |
| | <u>108,507</u> | <u>22,608</u> |
| Non-current assets | | |
| Investments | | |
| - Available-for-sale (Note 4) | 237,845 | 232,360 |
| - At fair value through profit or loss (Note 3) | 36 | - |
| | <u>237,881</u> | <u>232,360</u> |
| Total assets | <u>346,388</u> | <u>254,968</u> |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables (Note 5) | 6,093 | 2,288 |
| Bank loan (Note 6) | - | 19,693 |
| Current income tax liabilities (Note 7) | 8,737 | 808 |
| Derivative liability (Note 3) | 4,504 | 77 |
| | <u>19,334</u> | <u>22,866</u> |
| Non-current liability | | |
| Deferred income tax liabilities (Note 8) | 7,189 | 4,754 |
| Total liabilities | <u>26,523</u> | <u>27,620</u> |
| Net assets | <u>319,865</u> | <u>227,348</u> |
| Equity | | |
| Share capital | 90,027 | 51,000 |
| Retained earnings | 79,752 | 39,369 |
| Capital reserve | 91,139 | 91,473 |
| Fair value reserve for available-for-sale investments (Note 4) | 58,947 | 45,506 |
| Total equity | <u>319,865</u> | <u>227,348</u> |

Notes:

- (1) Increase in cash and cash equivalents was primarily from the divestment of HFCL shares.
- (2) 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.

| | | | |
|-----|--|---------|--|
| (3) | | S\$'000 | |
| | Derivative asset (current) | 25,812 | |
| | Convertible notes at fair value through profit or loss | | |
| | - current | 13 | |
| | - non-current | 36 | |
| | At 30 September 2009 | 25,861 | |

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 HFCL, in favor of UBS AG Hong Kong at a strike price of US\$1.0048 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 | 12,906 | (4,427) | |
| At 30 September 2009 | 25,812 | (4,504) | |

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.

- (4) The increase in fair value of the Company's available-for-sale investments was 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 offset by the divestment of HFCL shares. This net increase in fair value was recognised in the fair value reserve within equity.
- (5) The increase in trade and other payables was mainly from the accrual of performance incentive fees due to the Investment Manager.
- (6) The bank loan was fully repaid on 21 May 2009.
- (7) Current year tax provision is estimated at the prevailing corporate tax rate of 17%.
- (8) 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 net fair value gains on available-for-sale investments recorded for the 9 months ended 30 September 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 third quarter ended 30 September 2009

| | Company | | | |
|---|------------------|-----------------|------------------|-----------------|
| | 3 mths to | 3 mths to | 9 mths to | 9 mths to |
| | 30 Sep | 30 Sep | 30 Sep | 30 Sep |
| | 2009 | 2008 | 2009 | 2008 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Operating activities | | | | |
| Profit/(loss) for the financial period | 40,070 | (2,193) | 40,383 | (2,805) |
| Adjustments for : | | | | |
| Interest expense on bank loan | - | 104 | 199 | 104 |
| Amortisation of loan transaction costs | - | 63 | 307 | 63 |
| Income tax expense | 7,929 | (133) | 7,929 | (133) |
| Interest income | (10) | (10) | (21) | (176) |
| Dividends/distributions from equity investments | - | (188) | (27) | (231) |
| Net change in fair value of financial instruments | (3,131) | 1,866 | (8,406) | 1,676 |
| Impairment losses/(reversal of impairment losses) | - | 73 | 1,812 | (1,038) |
| | <u>44,858</u> | <u>(418)</u> | <u>42,176</u> | <u>(2,540)</u> |
| Changes in operating assets and liabilities: | | | | |
| Investments | 6,009 | 4,065 | 8,457 | 11,634 |
| Other current assets | 26 | (10,752) | 2,559 | (22,369) |
| Trade and other payables | 5,845 | 983 | 3,909 | 497 |
| Cash generated from/(used in) operations | <u>56,738</u> | <u>(6,122)</u> | <u>57,101</u> | <u>(12,778)</u> |
| Dividends/distributions received from equity investments | - | 188 | 27 | 231 |
| Interest received | 7 | 9 | 17 | 232 |
| Performance incentive fees paid | - | - | - | (16,782) |
| Income taxes paid | - | (7,660) | - | (22,979) |
| Cash flows from operating activities (Note 1) | <u>56,745</u> | <u>(13,585)</u> | <u>57,145</u> | <u>(52,076)</u> |
| Financing activities | | | | |
| Proceeds from rights issue | - | - | 29,333 | - |
| Proceeds from warrants exercised | 9,694 | - | 9,694 | - |
| Interest expense paid | - | - | (303) | - |
| Proceeds from/(repayment of) bank loan | - | 19,625 | (20,000) | 19,625 |
| Rights issue expenses paid | (7) | - | (334) | - |
| Cash flows from financing activities | <u>9,687</u> | <u>19,625</u> | <u>18,390</u> | <u>19,625</u> |
| Net increase/(decrease) in cash and cash equivalents | <u>66,432</u> | <u>6,040</u> | <u>75,535</u> | <u>(32,451)</u> |
| Cash and cash equivalents at beginning of financial period | <u>15,394</u> | <u>843</u> | <u>6,291</u> | <u>39,334</u> |
| Cash and cash equivalents at end of financial period | <u>81,826</u> | <u>6,883</u> | <u>81,826</u> | <u>6,883</u> |

Note :

- (1) The Company's net cash inflow of S\$56.75 million from operating activities was mainly from the proceeds received on the divestment of HFCL shares.

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 third quarter ended 30 September 2009**

| | For the 3 months ended 30 Sep | | | | | For the 9 months ended 30 Sep | | | | |
|---|-------------------------------|----------------------------|-------------------------------|------------------------------|------------------|-------------------------------|----------------------------|-------------------------------|------------------------------|------------------|
| | Share capital S\$'000 | Capital reserve S\$'000 | Fair value reserve S\$'000 | Retained earnings S\$'000 | Total S\$'000 | Share capital S\$'000 | Capital reserve S\$'000 | Fair value reserve S\$'000 | Retained earnings S\$'000 | Total S\$'000 |
| COMPANY | | | | | | | | | | |
| 2009 | | | | | | | | | | |
| At beginning of financial period | 80,333 | 91,146 | 80,919 | 39,682 | 292,080 | 51,000 | 91,473 | 45,506 | 39,369 | 227,348 |
| Total comprehensive (expense)/income for the financial period | - | - | (21,972) | 40,070 | 18,098 | - | - | 13,441 | 40,383 | 53,824 |
| Proceeds from rights issue | - | - | - | - | - | 29,333 | - | - | - | 29,333 |
| Proceeds from warrants exercised | 9,694 | - | - | - | 9,694 | 9,694 | - | - | - | 9,694 |
| Rights issue expenses (Note 1) | - | (7) | - | - | (7) | - | (334) | - | - | (334) |
| At end of financial period | 90,027 | 91,139 | 58,947 | 79,752 | 319,865 | 90,027 | 91,139 | 58,947 | 79,752 | 319,865 |
| 2008 | | | | | | | | | | |
| At beginning of financial period | 51,000 | 91,526 | 63,050 | 41,365 | 246,941 | 51,000 | 91,526 | 78,884 | 41,977 | 263,387 |
| Total comprehensive expense for the financial period | - | - | (12,154) | (2,193) | (14,347) | - | - | (27,988) | (2,805) | (30,793) |
| At end of financial period | 51,000 | 91,526 | 50,896 | 39,172 | 232,594 | 51,000 | 91,526 | 50,896 | 39,172 | 232,594 |

Note :

- (1) Rights issue expenses of approximately S\$7,000 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.

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.

(a) Changes in the Company’s share capital

| | Number of shares | S\$'000 |
|---|------------------|---------|
| Ordinary shares issued and paid-up | | |
| At 1 January 2009 | 88,000,004 | 51,000 |
| Issue of new shares | | |
| - Rights issue | 29,333,334 | 29,333 |
| - Exercise of warrants | 9,694,020 | 9,694 |
| At 30 September 2009 | 127,027,358 | 90,027 |

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

| | Number of warrants outstanding | |
|----------------------|--------------------------------|----------------------|
| | Expiring 11 May 2010 | Expiring 11 May 2012 |
| At 1 January 2009 | - | - |
| Issue of warrants | 29,333,334 | 29,333,334 |
| Exercise of warrants | (9,576,010) | (118,010) |
| At 30 September 2009 | 19,757,324 | 29,215,324 |

(c) Number of shares held as treasury shares

The Company did not have any treasury shares as at 30 September 2009 (30 September 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 Sep 2009 | 31 Dec 2008 |
| Total number of issued shares (excluding treasury shares) | <u>127,027,358</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 third quarter ended 30 September 2009

| | Group | | | | | |
|---|----------------------|-----------------|------------|----------------------|-----------------|------------|
| | 3 mths to | 3 mths to | Increase / | 9 mths to | 9 mths to | Increase / |
| | 30 Sep | 30 Sep | (Decrease) | 30 Sep | 30 Sep | (Decrease) |
| | 2009 | 2008 | | 2009 | 2008 | |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Revenue | 35,017 | 34,561 | 1 | 103,799 | 94,453 | 10 |
| Cost of sales | <u>(19,442)</u> | <u>(20,175)</u> | (4) | <u>(56,597)</u> | <u>(53,004)</u> | 7 |
| Gross profit | 15,575 | 14,386 | 8 | 47,202 | 41,449 | 14 |
| Net gains/(losses) from investments (Note 1) | 62,609 | (5,182) | nm | 79,888 | (7,837) | nm |
| Interest income | 308 | 303 | 2 | 527 | 794 | (34) |
| Dividends from quoted equity investments | - | 218 | (100) | 31 | 267 | (88) |
| Other operating income | - | 35 | (100) | 69 | 435 | (84) |
| Distribution expenses (Note 2) | (6,456) | (7,240) | (11) | (19,530) | (17,827) | 10 |
| Administrative expenses (Note 3) | (3,234) | (3,813) | (15) | (9,016) | (9,158) | (2) |
| Other operating expenses (Note 4) | (5,953) | (1,297) | 359 | (7,970) | (4,071) | 96 |
| Finance costs (Note 5) | - | (167) | (100) | (506) | (167) | 203 |
| Profit/(loss) before income tax | 62,849 | (2,757) | nm | 90,695 | 3,885 | 2,234 |
| Income tax expense (Note 6) | <u>(9,015)</u> | <u>(798)</u> | 1,030 | <u>(11,755)</u> | <u>(3,599)</u> | 227 |
| Profit/(loss) for the financial period | <u>53,834</u> | <u>(3,555)</u> | nm | <u>78,940</u> | <u>286</u> | nm |
| Profit/(loss) for the financial period | | | | | | |
| attributable to: | | | | | | |
| Owners of the Company | 52,346 | (4,285) | nm | 74,493 | (3,011) | nm |
| Minority interest | 1,488 | 730 | 104 | 4,447 | 3,297 | 35 |
| | <u>53,834</u> | <u>(3,555)</u> | nm | <u>78,940</u> | <u>286</u> | nm |

nm : Not meaningful

Expenses include the following:

| | Group | | | |
|--|------------------|-----------|------------------|-----------|
| | 3 mths to | 3 mths to | 9 mths to | 9 mths to |
| | 30 Sep | 30 Sep | 30 Sep | 30 Sep |
| | 2009 | 2008 | 2009 | 2008 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Performance incentive fees (Note 4) | 4,750 | - | 4,750 | - |
| Depreciation of property, plant and equipment (Note 7) | 1,005 | 712 | 2,798 | 1,981 |
| Amortisation of intangible assets | 68 | 66 | 207 | 193 |
| Loss on disposal of property, plant and equipment | 12 | 59 | 72 | 107 |
| Reversal of impairment of property, plant and equipment | (112) | - | (112) | - |
| Finance costs (Note 5) : | | | | |
| - Interest expense on bank loan | - | 104 | 199 | 104 |
| - Amortisation of loan transaction costs | - | 63 | 307 | 63 |
| Currency exchange (gain)/loss - net (Note 8) | (73) | 55 | (179) | 362 |
| Inventory write-down and allowance for impairment of receivables - net | 35 | 318 | (133) | 335 |

Notes :

See para 8 for Company level discussion of results.

- (1) The net gains from investments on the Group basis of S\$62.61 million consisted of:
 - o the net gains from investments of S\$53.93 million arising at the Company level [as described in para 8(a)], and
 - o the net gains from investments of S\$8.68 million arising mainly from the fair value through profit or loss investments held at the Group level. These fair value gains resulted mainly from increase in the market values of its investments in listed shares.
- (2) Decrease in distribution expenses was a result of reduction in promotion activities carried out by Foodstar Group.
- (3) Administration expenses were lower compared to the 3 months ended 30 September 2008 as there were termination / retrenchment benefits and stock loss incurred during the 3 months ended 30 September 2008 by Foodstar Group.
- (4) Increase in other operating expenses was due mainly to performance incentive fees accrued and charged to the income statement arising from an increase in the Company's NAV over the prior high audited NAV [see Note (1) of page 2].
- (5) The bank loan was fully repaid on 21 May 2009.
- (6) Increase in income tax expense was primarily from the current year tax provided at the Company level.
- (7) Increase in depreciation was a result of property, plant and equipment acquired by Foodstar Group.
- (8) The currency exchange gain for the 3 months ended 30 September 2009 was mainly a result of distributions receivable from equity investments in trusts denominated in foreign currency.

1(e)(ii) Statement of Comprehensive Income
For the third quarter ended 30 September 2009

| | Group | | | | | |
|--|------------------|-----------|------------|------------------|-----------|------------|
| | 3 mths to | 3 mths to | Increase / | 9 mths to | 9 mths to | Increase / |
| | 30 Sep | 30 Sep | (Decrease) | 30 Sep | 30 Sep | (Decrease) |
| | 2009 | 2008 | % | 2009 | 2008 | % |
| | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| Profit/(loss) for the financial period | 53,834 | (3,555) | nm | 78,940 | 286 | nm |
| Other comprehensive expense : | | | | | | |
| Fair value losses on available-for-sale investments (Note 1) | (36,829) | (10,753) | 242 | (20,555) | (25,860) | (21) |
| Adjustment to deferred tax liability arising from fair value (losses)/gains for the financial period | 4,500 | 2,622 | 72 | (2,435) | 6,098 | nm |
| Currency translation differences | (2,400) | 4,829 | nm | (1,718) | 5,099 | nm |
| Other comprehensive expense for the financial period, net of tax | (34,729) | (3,302) | 952 | (24,708) | (14,663) | 69 |
| Total comprehensive income/(expense) for the financial period | 19,105 | (6,857) | nm | 54,232 | (14,377) | nm |
| Total comprehensive income/(expense) attributable to: | | | | | | |
| Owners of the Company | 18,330 | (9,020) | nm | 50,295 | (19,187) | nm |
| Minority interest | 775 | 2,163 | (64) | 3,937 | 4,810 | (18) |
| | 19,105 | (6,857) | nm | 54,232 | (14,377) | nm |

nm : Not meaningful

Note :

- (1) For the 3 months ended 30 September 2009, there was an increase in fair value of the Group's investments of S\$2.48 million, arising mainly from its investments in listed shares. This was offset by the reversal of fair value gain of S\$39.31 million from the fair value reserve upon divestment of HFCL shares.

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

| | Group | |
|---|------------------------|------------------------|
| | 30 Sep 2009 S\$'000 | 31 Dec 2008 S\$'000 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents (Note 1) | 122,444 | 45,048 |
| Trade and other receivables (Note 2) | 4,296 | 7,648 |
| Inventories | 16,208 | 17,515 |
| Other current assets (Note 3) | 45,181 | 4,707 |
| Other investments (Note 4) | 25,825 | 12,906 |
| | <u>213,954</u> | <u>87,824</u> |
| Non-current assets | | |
| Investments | | |
| - Available-for-sale (Note 5) | 66,938 | 96,292 |
| - At fair value through profit or loss (Note 5) | 44,518 | 65,166 |
| | 111,456 | 161,458 |
| Property, plant and equipment (Note 6) | 70,585 | 55,182 |
| Intangible assets | 2,035 | 2,261 |
| Deferred income tax assets | 2,832 | 2,713 |
| | <u>186,908</u> | <u>221,614</u> |
| Total assets | <u>400,862</u> | <u>309,438</u> |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 29,348 | 25,904 |
| Bank loan (Note 7) | - | 19,693 |
| Current income tax liabilities (Note 8) | 9,700 | 2,256 |
| Derivative liability (Note 4) | 4,504 | 77 |
| | <u>43,552</u> | <u>47,930</u> |
| Non-current liability | | |
| Deferred income tax liabilities (Note 9) | 8,043 | 5,166 |
| | <u>8,043</u> | <u>5,166</u> |
| Total liabilities | <u>51,595</u> | <u>53,096</u> |
| Net assets | <u>349,267</u> | <u>256,342</u> |
| Equity attributable to owners of the Company | | |
| Share capital | 90,027 | 51,000 |
| Reserves (Note 5) | 98,391 | 122,923 |
| Retained earnings | 127,314 | 52,821 |
| | <u>315,732</u> | <u>226,744</u> |
| Minority interest | 33,535 | 29,598 |
| Total equity | <u>349,267</u> | <u>256,342</u> |

Notes:

- (1) The increase in cash and cash equivalents was primarily from the divestment of HFCL shares.
- (2) 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.
- (3) Included in other current assets as at 30 September 2009 was the distribution receivable from the interest acquired in a trust managed by the Investment Manager. This distribution of S\$42.77 million relates to proceeds receivable from the trust arising from the divestment of HFCL shares which was subsequently received on 8 October 2009.
- (4) As explained in Note (3) of page 5.
- (5) The decrease in the Group's investments was primarily due to divestment of HFCL shares. The changes in fair value relating to available-for-sale investments and investments at fair value through profit or loss were recognised in the fair value reserve within equity and income statement respectively.
- (6) Increases due primarily to the construction cost of a new plant in Shanghai by Foodstar Group.
- (7) The bank loan was fully repaid on 21 May 2009.
- (8) The increase in current income tax liabilities was primarily due to provision made at the Company level, as explained in Note (6) of page 10.
- (9) Deferred income tax liability arose primarily from provision made at the Company level, as explained in Note (8) of page 5.

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

Amount payable in one year or less, or on demand

| As at 30/09/2009 | As at 30/09/2009 | 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 30/09/2009 | As at 30/09/2009 | 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 third quarter ended 30 September 2009

| | Group | | | |
|---|--|--|--|--|
| | 3 mths to 30 Sep 2009 S\$'000 | 3 mths to 30 Sep 2008 S\$'000 | 9 mths to 30 Sep 2009 S\$'000 | 9 mths to 30 Sep 2008 S\$'000 |
| Operating activities | | | | |
| Profit/(loss) for the financial period | 53,834 | (3,555) | 78,940 | 286 |
| Adjustments for: | | | | |
| Interest expense on bank loan | - | 104 | 199 | 104 |
| Amortisation of loan transaction costs | - | 63 | 307 | 63 |
| Income tax expense | 9,015 | 798 | 11,755 | 3,599 |
| Amortisation and depreciation | 1,073 | 778 | 3,005 | 2,174 |
| Interest income | (308) | (303) | (527) | (794) |
| Dividends/distributions from equity investments | - | (218) | (31) | (267) |
| Loss on disposal of property, plant and equipment | 12 | 59 | 72 | 107 |
| Reversal of impairment of property, plant and equipment | (112) | - | (112) | - |
| Reversal of inventory write-down and reversal of allowance for impairment of receivables | - | (16) | (202) | (16) |
| Write-down of inventory and allowance for impairment of receivables | 35 | 334 | 69 | 351 |
| Net change in fair value of financial instruments | (11,814) | 5,643 | (32,017) | 9,827 |
| Impairment losses/(reversal of impairment losses) | - | 330 | 1,923 | (821) |
| | <u>51,735</u> | <u>4,017</u> | <u>63,381</u> | <u>14,613</u> |
| Changes in operating assets and liabilities | | | | |
| Investments | 47,101 | 8,529 | 51,049 | 2,084 |
| Inventories | 6 | (1,772) | 1,271 | (4,850) |
| Trade and other receivables and other current assets | (41,766) | (23,639) | (39,646) | (36,492) |
| Trade and other payables | 9,332 | 3,842 | 3,827 | 7,195 |
| Cash generated from/(used in) operations | <u>66,408</u> | <u>(9,023)</u> | <u>79,882</u> | <u>(17,450)</u> |
| Dividends/distributions received from equity investments | - | 218 | 31 | 267 |
| Net interest received | 305 | 302 | 523 | 850 |
| Performance incentive fees paid | - | - | - | (16,782) |
| Income taxes paid | (994) | (9,267) | (4,004) | (27,281) |
| Cash flow from operating activities (Note 1) | <u>65,719</u> | <u>(17,770)</u> | <u>76,432</u> | <u>(60,396)</u> |
| Investing activities | | | | |
| Purchase of property, plant and equipment | (6,611) | (1,294) | (13,803) | (4,974) |
| Prepayments of land-use rights | (125) | - | (3,024) | - |
| Proceeds from disposal of property, plant and equipment | 2 | 4 | 28 | 92 |
| (Payments)/refund for pre-operating expenses | (49) | 18 | (80) | 50 |
| Cash flow from investing activities | <u>(6,783)</u> | <u>(1,272)</u> | <u>(16,879)</u> | <u>(4,832)</u> |
| Financing activities | | | | |
| Proceeds from rights issue | - | - | 29,333 | - |
| Proceeds from warrants exercised | 9,694 | - | 9,694 | - |
| Interest expense paid | - | - | (303) | - |
| Proceeds from/(repayment of) bank loan | - | 19,625 | (20,000) | 19,625 |
| Rights issue expenses paid | (7) | - | (334) | - |
| Cash flow from financing activities | <u>9,687</u> | <u>19,625</u> | <u>18,390</u> | <u>19,625</u> |
| Net increase/(decrease) in cash and cash equivalents | 68,623 | 583 | 77,943 | (45,603) |
| Cash and cash equivalents at beginning of financial period | 54,730 | 31,512 | 45,048 | 77,670 |
| Currency translation adjustment | (909) | 1,524 | (547) | 1,552 |
| Cash and cash equivalents at end of financial period | <u>122,444</u> | <u>33,619</u> | <u>122,444</u> | <u>33,619</u> |

Note :

- (1) On a Group basis, there was a net cash inflow of S\$65.72 million from operating activities, of which the Company generated a net cash inflow of S\$56.75 million [as explained in Note (1) of page 6].

**1(e)(vi) Statement of Changes in Equity
For the third quarter ended 30 September 2009**

| GROUP | For the 3 months ended 30 Sep | | | | | | | | For the 9 months ended 30 Sep | | | | | | | |
|---|-------------------------------|--|---------------------------------------|-------------------------------|------------------------------|--|------------------------------|------------------|-------------------------------|--|---------------------------------------|-------------------------------|------------------------------|--|------------------------------|------------------|
| | 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 | 80,333 | 3,887 | 92,964 | 35,563 | 74,968 | 287,715 | 32,760 | 320,475 | 51,000 | 3,408 | 93,291 | 26,224 | 52,821 | 226,744 | 29,598 | 256,342 |
| Total comprehensive (expense)/income for the financial period | - | (1,687) | - | (32,329) | 52,346 | 18,330 | 775 | 19,105 | - | (1,208) | - | (22,990) | 74,493 | 50,295 | 3,937 | 54,232 |
| Proceeds from rights issue | - | - | - | - | - | - | - | - | 29,333 | - | - | - | - | 29,333 | - | 29,333 |
| Proceeds from warrants exercised | 9,694 | - | - | - | - | 9,694 | - | 9,694 | 9,694 | - | - | - | - | 9,694 | - | 9,694 |
| Rights issue expenses (Note 1) | - | - | (7) | - | - | (7) | - | (7) | - | - | (334) | - | - | (334) | - | (334) |
| At end of financial period | 90,027 | 2,200 | 92,957 | 3,234 | 127,314 | 315,732 | 33,535 | 349,267 | 90,027 | 2,200 | 92,957 | 3,234 | 127,314 | 315,732 | 33,535 | 349,267 |
| 2008 | | | | | | | | | | | | | | | | |
| At beginning of financial period | 51,000 | 394 | 92,741 | 37,422 | 56,085 | 237,642 | 26,101 | 263,743 | 51,000 | 204 | 92,741 | 49,053 | 54,811 | 247,809 | 23,454 | 271,263 |
| Total comprehensive income/(expense) for the financial period | - | 3,396 | - | (8,131) | (4,285) | (9,020) | 2,163 | (6,857) | - | 3,586 | - | (19,762) | (3,011) | (19,187) | 4,810 | (14,377) |
| Transfer from retained earnings | - | - | 605 | - | (605) | - | - | - | - | - | 605 | - | (605) | - | - | - |
| At end of financial period | 51,000 | 3,790 | 93,346 | 29,291 | 51,195 | 228,622 | 28,264 | 256,886 | 51,000 | 3,790 | 93,346 | 29,291 | 51,195 | 228,622 | 28,264 | 256,886 |

Note :

- (1) Rights issue expenses of approximately S\$7,000 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 third quarter ended 30 September 2009

| | Company | | | |
|--|--------------------------------------|-----------------------------|--------------------------------------|-----------------------------|
| | 3 mths to 30 Sep 2009 | 3 mths to 30 Sep 2008 | 9 mths to 30 Sep 2009 | 9 mths to 30 Sep 2008 |
| Earnings/(loss) 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 | 33.69 cts | (2.49) cts | 39.13 cts | (3.19) cts |
| (b) On a fully diluted basis | 32.04 cts | (2.49) cts | 38.92 cts | (3.19) cts |
| | Group | | | |
| | 3 mths to 30 Sep 2009 | 3 mths to 30 Sep 2008 | 9 mths to 30 Sep 2009 | 9 mths to 30 Sep 2008 |
| Earnings/(loss) 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 | 44.01 cts | (4.87) cts | 72.18 cts | (3.42) cts |
| (b) On a fully diluted basis | 41.86 cts | (4.87) cts | 71.79 cts | (3.42) cts |
| | Company and Group | | | |
| | 3 mths to 30 Sep 2009 | 3 mths to 30 Sep 2008 | 9 mths to 30 Sep 2009 | 9 mths to 30 Sep 2008 |
| Earnings per ordinary share has been computed on the following weighted average number of shares : | | | | |
| (a) Basic | 118,949,008 | 88,000,004 | 103,205,228 | 88,000,004 |
| (b) Diluted | 125,061,615 | 88,000,004 | 103,769,831 | 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 September 2009

| | Company | |
|--|------------------------|----------------|
| | 30 Sep 2009 | 31 Dec 2008 |
| Net asset value per ordinary share based on issued share capital | S\$ 2.52 | S\$ 2.58 |
| | Group | |
| | 30 Sep 2009 | 31 Dec 2008 |
| Net asset value per ordinary share based on issued share capital | S\$ 2.47 | S\$ 2.55 |

Net asset value per ordinary share has been computed based on the number of shares in issue as at 30 September 2009 of 127,027,358 (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 September 2009, the Company reported a net profit after tax of S\$40.07 million compared to a net loss after tax of S\$2.19 million for the 3 months ended 30 September 2008. The net profit after tax for the 3 months ended 30 September 2009 of S\$40.07 million resulted from total investment income of S\$53.94 million offset by operating expenses of S\$5.94 million and income tax expense of S\$7.93 million. The components of the investment income for the 3 months ended 30 September 2009 are explained below.

For the 3 months ended 30 September 2008, the Company reported a net loss after tax of S\$2.19 million resulting from investment expense of S\$1.12 million; operating expenses of S\$1.03 million; finance costs of S\$0.17 million and income tax credit of S\$0.13 million. Investment expense for the 3 months ended 30 September 2008 consisted of net loss from investments of S\$1.32 million, interest income of S\$0.01 million and dividends from quoted investments of S\$0.19 million.

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

Total investment income of S\$53.94 million for the 3 months ended 30 September 2009 consisted of:

- net gains from investments of S\$53.93 million (described below); and
- interest income of S\$0.01 million.

The net gains from investments of S\$53.93 million resulted from:

- a net gain of S\$50.80 million on disposal of HFCL shares;
- a net favorable change of S\$3.17 million in the fair value of the covered call options granted to UBS AG Hong Kong relating to the shares held in HFCL; and
- an unfavorable change in the fair value of the convertible notes of S\$0.04 million.

- (b) The total comprehensive income of S\$53.82 million for the 9 months ended 30 September 2009 comprised the net gain for the period of S\$40.38 million and a net increase in fair value reserve for available-for-sale investments of S\$13.44 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 as at 30 September 2009 increased to S\$319.87 million from S\$227.35 million as of 31 December 2008 as a result of a total comprehensive income for the period of S\$53.82 million; proceeds received from rights issue of S\$29.33 million; proceeds from warrants exercised of S\$9.70 million and offset by rights issue expenses deducted from capital reserve of S\$0.33 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.

The global and regional businesses have continued to improve even though the general market conditions remain cautious. The Company will capitalise on the improving conditions to venture into suitable new investment and divestment activities.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? Yes

| | |
|------------------------------------|---------------------|
| Name of dividend | Interim |
| Dividend Type | Cash |
| Dividend Amount per ordinary share | 40 cents |
| Tax rate | One-tier tax exempt |

The Company is pleased to announce that the Board of Directors has approved an interim one-tier tax exempt dividend of 40 cents per share for the financial year ending 31 December 2009.

(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

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

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

Not applicable.

13. Interested person transactions.

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

14. Subsequent events

(a) On 13 October 2009, UBS AG Hong Kong exercised the call option on all 15,183,247 shares in HFCL at US\$1.0048 per share [See details on the call option in Note (3) of Page 5]. The proceeds were subsequently received on 16 October 2009. For details, see the Company's announcement on 21 October 2009.

(b) On 23 October 2009, the Company was granted the Enhanced-Tier Fund Tax Incentive Scheme under Section 13X of the Income Tax Act with effect from 19 June 2009. Under this scheme, the Company has been granted tax exemption on specified income in respect of any designated investment subject to compliance with the stipulated conditions.

With this tax incentive granted (on the understanding that the Company's investments qualify as designated investments), the Company's profit after tax for the financial period ended 30 September 2009 will increase by approximately S\$7.49 million and the Company's net asset value as at 30 September 2009 will increase by approximately S\$14.67 million.

15. 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 September 2009 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tham Shook Han
Company Secretary
11 November 2009