

## **TRANSPAC INDUSTRIAL HOLDINGS LIMITED**

("Company")

*Incorporated in the Republic of Singapore*

*Unique Entity Number: 199400941K*

### **Extension of Loan to Fortune Code Limited ("FCL")**

We refer to the Announcements made on 21 September and 24 September 2010 whereby the Company informed that certain funds and investment companies (the "ASM" companies) managed by Argyle Street Management Limited ("Argyle") and the Company had co-invested in Fortune Code Limited ("FCL") with other investors. The equity interests in FCL of the Company and the ASM group are 7.95% and 5.29% respectively.

In September 2010, the Company and the ASM group had separately entered into a series of agreements (the "Agreements") to participate in a loan to FCL. The Company's portion of the loan amounting to S\$17.42 million was in the proportion of its equity holdings in FCL. The purpose of the loan was for the acquisition of the additional shares of the underlying investment of FCL.

On 24 February 2012, the Company and the said Argyle funds and ASM investment companies as described above had entered into a Supplemental Agreement (the "Supplemental Agreement") to extend the repayment date of the said loan to 26 February 2013 based on substantially the same terms as the Agreements.

### **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

FCL is a joint investment of the Company with the ASM group (including deemed shareholders ASM Asia Recovery (Master) Fund and ASM Hudson River Fund) managed by Argyle, a deemed substantial shareholder of the Company, and other third parties.

Mr Kin Chan, Chairman of the Board of Directors and Ms Angie Li, a Non-Independent Director of the Company, are also Directors of Argyle. Accordingly, Messrs Kin Chan, Angie Li, the ASM group and Argyle as disclosed above, are considered interested persons for purposes of Chapter 9 of the Listing Manual.

Save as disclosed in this Announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the joint investment in FCL.

### **STATEMENT BY AUDIT COMMITTEE**

Pursuant to Chapter 9 of the SGX Listing Manual, the Audit Committee, having considered the terms of the Supplemental Agreement, is of the view that the risks and rewards of the Supplemental Agreement are in proportion to the equity interests held by the Company and the ASM group. The Audit Committee is also of the view that the terms of the Agreements are not prejudicial to the interests of the Company and its minority shareholders.

Pursuant to Rule 916 of the SGX Listing Manual, the extension of loan to FCL does not require shareholders' approval.

### **FINANCIAL EFFECTS**

The investment in FCL is done in the ordinary course of the Company's business and is classified as an investment available-for-sale. The loan of S\$17.42 million is approximately 11.6% of the Group's Net Asset Value as at 31 December 2011 and 5.2% of the Company's market capitalization as at the date hereof (based on the last traded share price on 24 February 2012 of S\$1.915 and 175,239,614 issued shares).

## **DISCLOSURE ANNOUNCEMENTS**

For Shareholders' information, this announcement discloses information under Rule 1010 of the Listing Manual. The loan to FCL via the Agreements is made in the ordinary course of business and is not subject to the requirements of Rule 1014 of the Listing Manual and accordingly, the loan is not subject to the approval by the Company's shareholders.

**BY ORDER OF THE BOARD OF DIRECTORS**

Tham Shook Han  
Company Secretary  
27 February 2012