

**TRANSPAC INDUSTRIAL HOLDINGS LIMITED**  
(Registration Number: 199400941K)

**Second Quarter Financial Statement and Dividend Announcement  
for the period ended 30 June 2012**

**THESE FIGURES HAVE NOT BEEN AUDITED.**

**1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**1(a)(i) Consolidated Income Statement  
For the second quarter ended 30 June 2012**

	<b>Group</b>					
	<b>3 mths to 30 Jun 2012 S\$'000</b>	3 mths to 30 Jun 2011 S\$'000	Increase / (Decrease) %	<b>6 mths to 30 Jun 2012 S\$'000</b>	6 mths to 30 Jun 2011 S\$'000	Increase / (Decrease) %
Dividends/distributions from unquoted equity investments (Note 1)	3,284	51	6,339	3,284	51	6,339
Net gain on disposal of investments	-	2,438	(100)	9	2,461	(100)
Net change in fair value of financial instruments (Note 2)	(3,267)	9,618	nm	(3,637)	8,752	nm
Impairment losses (Note 3)	(10,586)	14	nm	(10,586)	(15)	nm
Net (losses)/gains from investments	(10,569)	12,121	nm	(10,930)	11,249	nm
Interest income (Note 4)	1,078	942	14	2,656	1,932	37
Other operating income	5	-	nm	5	-	nm
<b>Total investment (expense)/income</b>	<b>(9,486)</b>	13,063	nm	<b>(8,269)</b>	13,181	nm
Operating expenses	719	(2,499)	nm	(1,249)	(3,726)	(66)
<b>(Loss)/profit before income tax</b>	<b>(8,767)</b>	10,564	nm	<b>(9,518)</b>	9,455	nm
Income tax credit	-	-	-	3,741	-	nm
<b>(Loss)/profit for the financial period attributable to owners of the Company</b>	<b>(8,767)</b>	10,564	nm	<b>(5,777)</b>	9,455	nm

nm : Not meaningful

**Operating expenses include the following:**

	<b>Group</b>					
	<b>3 mths to 30 Jun 2012 S\$'000</b>	3 mths to 30 Jun 2011 S\$'000	Increase / (Decrease) %	<b>6 mths to 30 Jun 2012 S\$'000</b>	6 mths to 30 Jun 2011 S\$'000	Increase / (Decrease) %
Investment management fees (Note 5)	465	838	(45)	930	1,657	(44)
Performance incentive fees (Note 6)	(1,331)	1,379	nm	-	1,379	(100)
Audit fees paid/payable to:						
- Auditors of the Company for statutory audit of the Company and the Group	40	41	(2)	80	81	(1)
Non-audit fees paid/payable to:						
- Auditors of the Company	15	28	(46)	21	31	(32)
Directors' remuneration	73	82	(11)	146	164	(11)
Currency exchange (gain)/loss - net	(29)	15	nm	(29)	229	nm
Others	48	116	(59)	101	185	(45)
	<b>(719)</b>	2,499	nm	<b>1,249</b>	3,726	(66)

nm : Not meaningful

Notes:

- (1) Total dividends/distributions from unquoted equity investments of S\$3.28 million is the cash distributions received from Transpac Capital 1996 Investment Trust and Transpac Venture Partnership II (collectively, the “Funds”) in which the Group holds interests. The amount represents the Group’s share of cash which the Funds had set aside from the sale proceeds for certain representations and warranties provided to the buyer pertaining to the divestment of Foodstar Group in November 2010. The cash was released since the warranty period had lapsed in February 2012 and no notice of claim had been received from the buyer.
- (2) The unfavourable change in fair value of financial instruments of S\$3.27 million was due to the decrease in the Group’s share in the net asset value of the Funds as a result of the above distributions.
- (3) The impairment losses of S\$10.59 million were due to the write down of the Group’s investments in Fortune Code Limited and Hansen Limited.
- (4) Interest income included accrual of interest of S\$1.03 million on a loan granted to a portfolio company.
- (5) Investment management fees are payable semi-annually and computed based on Net Asset Value (“NAV”) of the Company. Decrease in fees as NAV used to compute the fees was lower compared to that of prior year.
- (6) Performance incentive fees are accrued and charged to the income statement when there is an increase in the Company’s NAV over the prior high audited NAV, subject to certain adjustments. Since the Company’s NAV as at 30 June 2012 has decreased, there is a reversal of performance incentive fees of S\$1.33 million accrued in previous quarter.

**1(a)(ii) Consolidated Statement of Comprehensive Income  
For the second quarter ended 30 June 2012**

	<b>Group</b>					
	<b>3 mths to 30 Jun 2012 S\$'000</b>	3 mths to 30 Jun 2011 S\$'000	Increase / (Decrease) %	<b>6 mths to 30 Jun 2012 S\$'000</b>	6 mths to 30 Jun 2011 S\$'000	Increase / (Decrease) %
<b>(Loss)/profit for the financial period</b>	<b>(8,767)</b>	10,564	nm	<b>(5,777)</b>	9,455	nm
<b>Other comprehensive deficit:</b>						
Fair value losses on available-for-sale investments (Note 1)	<b>(6,100)</b>	(3,659)	67	<b>(73)</b>	(3,866)	(98)
Income tax expense	-	-	-	-	-	-
<b>Other comprehensive deficit for the financial period, net of tax</b>	<b>(6,100)</b>	(3,659)	67	<b>(73)</b>	(3,866)	(98)
<b>Total comprehensive (deficit)/income for the financial period attributable to owners of the Company</b>	<b>(14,867)</b>	6,905	nm	<b>(5,850)</b>	5,589	nm

nm : Not meaningful

Note:

- (1) The fair value losses of S\$6.1 million on available-for-sale investments was mainly due to the reversal of previously accumulated fair value gains on investments upon the impairment of Fortune Code Limited.

**1(b)(i) A statement of financial position for the Group and the Company, together with a comparative statement as at the end of the immediately preceding financial year.**

**Statements of financial position as at 30 June 2012**

	Group		Company	
	30 Jun 2012 S\$'000	31 Dec 2011 S\$'000	30 Jun 2012 S\$'000	31 Dec 2011 S\$'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	93,311	91,296	90,788	88,773
Loan receivable (Note 1)	26,359	23,799	26,359	23,799
Other receivables (Note 2)	12,298	12,922	11,227	11,851
	<b>131,968</b>	128,017	<b>128,374</b>	124,423
<b>Non-current assets</b>				
Investments				
- Available-for-sale (Note 3)	12,172	22,831	26,412	40,708
- At fair value through profit or loss (Note 4)	14,240	17,877	-	-
	<b>26,412</b>	40,708	<b>26,412</b>	40,708
<b>Total assets</b>	<b>158,380</b>	168,725	<b>154,786</b>	165,131
<b>Liabilities</b>				
<b>Current liabilities</b>				
Other payables (Note 5)	12,440	13,256	11,370	12,186
Provisions	551	553	476	477
Current income tax liabilities (Note 6)	315	4,309	315	4,309
<b>Total liabilities</b>	<b>13,306</b>	18,118	<b>12,161</b>	16,972
<b>Net assets</b>	<b>145,074</b>	150,607	<b>142,625</b>	148,159
<b>Equity attributable to owners of the Company</b>				
Share capital (Note 7)	129,506	38,358	129,506	38,358
Retained earnings	11,789	17,566	11,224	16,277
Capital reserve (Note 7)	308	91,139	308	91,139
Fair value reserve for available-for-sale investments	3,471	3,544	1,587	2,385
<b>Total equity</b>	<b>145,074</b>	150,607	<b>142,625</b>	148,159

Notes:

- (1) The loan receivable relates to a follow-on investment in a portfolio company maturing within the next 12 months. The increase of S\$2.56 million was due to the accrual of interest receivable for the period ended 30 June 2012.
- (2) Included in other receivables is an amount of S\$12.18 million retained by the Investment Manager for tax and expenses relating to the divestment of Foodstar Group (see Note 5).
- (3) The decrease in the Group's available-for-sale investments of S\$10.66 million was mainly due to the impairment of Fortune Code Limited and Hansen Limited.
- (4) The decline in investments at fair value through profit or loss of S\$3.64 million was mainly attributed to the decrease in the Group's share in the net asset value of the Funds as explained in Note 2 on page 2.
- (5) Other payables included a provision of S\$12.18 million for tax and expenses relating to the divestment of Foodstar Group. The amount was set aside from the sale proceeds and retained by the Investment Manager (see Note 2).
- (6) Decrease in current income tax liabilities of S\$3.99 million was mainly due to the write back of income tax provision for prior year.
- (7) In May 2012, the Company completed a bonus issue of 1 bonus share for every 3 existing ordinary shares held in the Company. An aggregate of 58,576,949 bonus shares have been allotted and issued and an amount of S\$90.79 million had been capitalized from the capital reserve account of the Company and applied towards payment in full for the bonus shares.

**1(b)(ii) Aggregate amount of Group's borrowing and debt securities.**

**Amount payable in one year or less, or on demand**

As at 30/06/2012	As at 30/06/2012	As at 31/12/2011	As at 31/12/2011
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	-	-	-

**Amount payable after one year**

As at 30/06/2012	As at 30/06/2012	As at 31/12/2011	As at 31/12/2011
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
-	-	-	-

**Details of collateral**

Not applicable.

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

**Consolidated Statement of Cash Flows  
For the second quarter ended 30 June 2012**

	<b>Group</b>			
	<b>3 mths to 30 Jun 2012 S\$'000</b>	3 mths to 30 Jun 2011 S\$'000	<b>6 mths to 30 Jun 2012 S\$'000</b>	6 mths to 30 Jun 2011 S\$'000
<b>Operating activities</b>				
(Loss)/profit for the financial period	(8,767)	10,564	(5,777)	9,455
Adjustments for:				
Income tax credit	-	-	(3,741)	-
Interest income	(1,078)	(942)	(2,656)	(1,932)
Dividends/distributions from equity investments	(3,284)	(51)	(3,284)	(51)
Performance incentive fees	(1,331)	1,379	-	1,379
Net change in fair value of financial instruments	3,267	(9,618)	3,637	(8,752)
Impairment losses of available-for-sale investments	10,586	(14)	10,586	15
	(607)	1,318	(1,235)	114
Changes in operating assets and liabilities				
Investments	-	30,244	-	32,207
Other receivables	(82)	(5,461)	(20)	(2,781)
Other payables	(761)	(1,230)	(172)	(492)
Cash (used in)/generated from operations	(1,450)	24,871	(1,427)	29,048
Dividends/distributions received from equity investments	3,284	-	3,284	-
Net interest received	44	288	94	348
Performance incentive fees paid	(647)	(6,338)	(647)	(6,338)
Performance incentive fee refunded	647	2,580	647	2,580
Income taxes paid	-	(3)	(253)	(3)
<b>Cash flow from operating activities</b>	<b>1,878</b>	<b>21,398</b>	<b>1,698</b>	<b>25,635</b>
<b>Financing activities</b>				
Proceeds from warrants exercised	350	162	354	235
Bonus issue expenses	(28)	-	(37)	-
Capital reduction	-	(99,876)	-	(99,876)
<b>Cash flow from financing activities</b>	<b>322</b>	<b>(99,714)</b>	<b>317</b>	<b>(99,641)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,200</b>	<b>(78,316)</b>	<b>2,015</b>	<b>(74,006)</b>
Cash and cash equivalents at beginning of financial period	91,111	144,264	91,296	139,954
<b>Cash and cash equivalents at end of financial period</b>	<b>93,311</b>	<b>65,948</b>	<b>93,311</b>	<b>65,948</b>

**1(d)(i) A statement for the Group and 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.**

**Statements of Changes in Equity  
For the second quarter ended 30 June 2012**

	For the 3 months ended 30 June					For the 6 months ended 30 June				
	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
<b>Group</b>										
<b>2012</b>										
<b>At beginning of financial period</b>	38,362	91,130	9,571	20,556	159,619	38,358	91,139	3,544	17,566	150,607
<b>Total comprehensive deficit for the financial period</b>										
Loss for the financial period	-	-	-	(8,767)	(8,767)	-	-	-	(5,777)	(5,777)
<u>Other comprehensive deficit</u>										
Fair value losses on available-for-sale investments	-	-	(6,100)	-	(6,100)	-	-	(73)	-	(73)
Income tax expense	-	-	-	-	-	-	-	-	-	-
Total other comprehensive deficit, net of tax	-	-	(6,100)	-	(6,100)	-	-	(73)	-	(73)
<b>Total comprehensive deficit for the financial period</b>	-	-	(6,100)	(8,767)	(14,867)	-	-	(73)	(5,777)	(5,850)
<b>Transactions with owners, recorded directly in equity</b>										
<i>Contributions by owners of the Company</i>										
Proceeds from warrants exercised	350	-	-	-	350	354	-	-	-	354
Issue of bonus shares	90,794	(90,794)	-	-	-	90,794	(90,794)	-	-	-
Bonus issue expenses (Note 1)	-	(28)	-	-	(28)	-	(37)	-	-	(37)
Total contributions by owners of the Company	91,144	(90,822)	-	-	322	91,148	(90,831)	-	-	317
<b>At end of financial period</b>	<b>129,506</b>	<b>308</b>	<b>3,471</b>	<b>11,789</b>	<b>145,074</b>	<b>129,506</b>	<b>308</b>	<b>3,471</b>	<b>11,789</b>	<b>145,074</b>
<b>2011</b>										
<b>At beginning of financial period</b>	138,059	91,139	666	36,917	266,781	137,986	91,139	873	38,026	268,024
<b>Total comprehensive (deficit)/income for the financial period</b>										
Profit for the financial period	-	-	-	10,564	10,564	-	-	-	9,455	9,455
<u>Other comprehensive deficit</u>										
Fair value losses on available-for-sale investments	-	-	(3,659)	-	(3,659)	-	-	(3,866)	-	(3,866)
Income tax expense	-	-	-	-	-	-	-	-	-	-
Total other comprehensive deficit, net of tax	-	-	(3,659)	-	(3,659)	-	-	(3,866)	-	(3,866)
<b>Total comprehensive (deficit)/income for the financial period</b>	-	-	(3,659)	10,564	6,905	-	-	(3,866)	9,455	5,589
<b>Transactions with owners, recorded directly in equity</b>										
<i>Contributions by and distributions to owners of the Company</i>										
Proceeds from warrants exercised	162	-	-	-	162	235	-	-	-	235
Capital reduction	(99,876)	-	-	-	(99,876)	(99,876)	-	-	-	(99,876)
Total contributions by and distributions to owners of the Company	(99,714)	-	-	-	(99,714)	(99,641)	-	-	-	(99,641)
<b>At end of financial period</b>	<b>38,345</b>	<b>91,139</b>	<b>(2,993)</b>	<b>47,481</b>	<b>173,972</b>	<b>38,345</b>	<b>91,139</b>	<b>(2,993)</b>	<b>47,481</b>	<b>173,972</b>

Note:

(1) Bonus issue expenses incurred in relation to the Bonus Issue [see para 1(d)(ii)] were deducted against the capital reserve.

Company	For the 3 months ended 30 June					For the 6 months ended 30 June				
	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
<b>2012</b>										
<b>At beginning of financial period</b>	38,362	91,130	8,042	19,637	157,171	38,358	91,139	2,385	16,277	148,159
<b>Total comprehensive deficit for the financial period</b>										
Loss for the financial period	-	-	-	(8,413)	(8,413)	-	-	-	(5,053)	(5,053)
<u>Other comprehensive deficit</u>										
Fair value losses on available-for-sale investments	-	-	(6,455)	-	(6,455)	-	-	(798)	-	(798)
Income tax expense	-	-	-	-	-	-	-	-	-	-
Total other comprehensive deficit, net of tax	-	-	(6,455)	-	(6,455)	-	-	(798)	-	(798)
<b>Total comprehensive deficit for the financial period</b>	-	-	(6,455)	(8,413)	(14,868)	-	-	(798)	(5,053)	(5,851)
<b>Transactions with owners, recorded directly in equity</b>										
<i>Contributions by owners of the Company</i>										
Proceeds from warrants exercised	350	-	-	-	350	354	-	-	-	354
Issue of bonus shares	90,794	(90,794)	-	-	-	90,794	(90,794)	-	-	-
Bonus issue expenses (Note 1)	-	(28)	-	-	(28)	-	(37)	-	-	(37)
Total contributions by owners of the Company	91,144	(90,822)	-	-	322	91,148	(90,831)	-	-	317
<b>At end of financial period</b>	<b>129,506</b>	<b>308</b>	<b>1,587</b>	<b>11,224</b>	<b>142,625</b>	<b>129,506</b>	<b>308</b>	<b>1,587</b>	<b>11,224</b>	<b>142,625</b>
<b>2011</b>										
<b>At beginning of financial period</b>	138,059	91,139	2,324	32,841	264,363	137,986	91,139	3,611	32,870	265,606
<b>Total comprehensive income for the financial period</b>										
Profit for the financial period	-	-	-	1,101	1,101	-	-	-	1,072	1,072
<u>Other comprehensive income</u>										
Fair value gains on available-for-sale investments	-	-	5,687	-	5,687	-	-	4,400	-	4,400
Income tax expense	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income, net of tax	-	-	5,687	-	5,687	-	-	4,400	-	4,400
<b>Total comprehensive income for the financial period</b>	-	-	5,687	1,101	6,788	-	-	4,400	1,072	5,472
<b>Transactions with owners, recorded directly in equity</b>										
<i>Contributions by and distributions to owners of the Company</i>										
Proceeds from warrants exercised	162	-	-	-	162	235	-	-	-	235
Capital reduction	(99,876)	-	-	-	(99,876)	(99,876)	-	-	-	(99,876)
Total contributions by and distributions to owners of the Company	(99,714)	-	-	-	(99,714)	(99,641)	-	-	-	(99,641)
<b>At end of financial period</b>	<b>38,345</b>	<b>91,139</b>	<b>8,011</b>	<b>33,942</b>	<b>171,437</b>	<b>38,345</b>	<b>91,139</b>	<b>8,011</b>	<b>33,942</b>	<b>171,437</b>

Note:

(1) Bonus issue expenses incurred in relation to the Bonus Issue [see para 1(d)(ii)] were 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.**

(a) Changes in the Company’s share capital

	Number of shares	S\$'000
<b>Ordinary shares issued and paid-up</b>		
At 1 January 2012	175,239,614	38,358
Issue of new shares		
- Exercise of warrants in the first quarter ended 31 March 12	5,000	4
- Exercise of warrants in the second quarter ended 30 June 12	492,543	350
- Issue of bonus shares in the second quarter ended 30 June 12	58,576,949	90,794
At 30 June 2012	<u>234,314,106</u>	<u>129,506</u>

On 22 February 2012, the Company announced its proposed bonus issue (“Bonus Issue”) on the basis of one bonus share for every three existing ordinary shares held by shareholders of the Company as at a books closure date to be determined by the Directors. Resolution on the Bonus Issue was passed at the annual general meeting of the Company held on 26 April 2012.

On 28 May 2012, 58,576,949 bonus shares have been allotted and issued pursuant to the Bonus Issue. The Bonus Issue was effected by capitalising S\$90.79 million from the capital reserve account of the Company (based on an issue price of S\$1.55 per bonus share) and applying the same towards payment in full for the bonus shares.

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

**Number of warrants outstanding**  
Expired 11 May 2012

At 1 January 2012	556,982
Exercise of warrants	(497,543)
Warrants expired	(59,439)
At 30 June 2012	<u>-</u>
At 1 January 2011	810,221
Exercise of warrants	(235,406)
At 30 June 2011	<u>574,815</u>

**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.**

The Company did not have any treasury shares as at end of the current financial period reported on and as at the end of the immediately preceding financial year.

	<b>30 Jun 2012</b>	31 Dec 2011
Total number of issued shares	<u><b>234,314,106</b></u>	<u>175,239,614</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.

**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 had consistently applied the 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 2011.

**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.**

Earnings per ordinary share  
For the second quarter ended 30 June 2012

	<b>Group</b>			
	<b>3 mths to 30 Jun 2012</b>	3 mths to 30 Jun 2011	<b>6 mths to 30 Jun 2012</b>	6 mths to 30 Jun 2011
(Loss)/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	<b>(4.28) cts</b>	6.03 cts	<b>(3.04) cts</b>	5.40 cts
(b) On a fully diluted basis	<b>(4.28) cts</b>	6.02 cts	<b>(3.04) cts</b>	5.39 cts

	<b>Group</b>			
	<b>3 mths to 30 Jun 2012</b>	3 mths to 30 Jun 2011	<b>6 mths to 30 Jun 2012</b>	6 mths to 30 Jun 2011
(Loss)/earnings per ordinary share has been computed on the following weighted average number of shares:				
(a) Basic	<b>204,854,809</b>	175,127,450	<b>190,047,961</b>	175,066,588
(b) Diluted	<b>204,912,608</b>	175,514,068	<b>190,281,678</b>	175,466,916

**7. Net asset value for the Group and the Company per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) **current financial period reported on; and**  
 (b) **immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun</b>	31 Dec	<b>30 Jun</b>	31 Dec
	<b>2012</b>	2011	<b>2012</b>	2011
	<b>S\$</b>	S\$	<b>S\$</b>	S\$
Net asset value per ordinary share based on issued share capital	<b>0.62</b>	0.86	<b>0.61</b>	0.85

Net asset value per ordinary share has been computed based on the number of shares in issue as at 30 June 2012 of 234,314,106 (31 December 2011: 175,239,614).

**8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:**

- (a) **any significant factors that affected the turnover, costs, and earnings of the Group 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 Group during the current financial period reported on.**

The Group's income is primarily derived from the realization and/or revaluation of its investments.

**2Q 2012**

For the three months ended 30 June 2012, the Group reported a total comprehensive deficit of S\$14.87 million. This was mainly attributed to the impairment losses of S\$10.59 million due to the write down of the Group's investment in Fortune Code Limited and Hansen Limited and reversal of previously accumulated fair value gains of S\$6.32 million for Fortune Code Limited.

The Group received cash distributions totalling S\$3.28 million from the Funds (see Note 1 on page 2). The distributions represent the portion of cash which the Funds had set aside from the sale proceeds for certain representations and warranties provided to the buyer pertaining to the divestment of Foodstar Group in November 2010. As the warranty period had lapsed in February 2012, the cash was released by the Funds. The cash distributions were offset by a decline in fair value of financial instruments of S\$3.27 million due to the decrease in the Group's share in the net asset value of the Funds as a result of the distributions.

Interest income of S\$1.08 million was mainly from loan granted to a portfolio company.

Operating expenses included reversal of performance incentive fees of S\$1.33 million accrued in the last quarter (see Note 6 on page 2) which was offset partially by management fees of S\$0.47 million payable to the Investment Manager.

**2Q 2011**

The Group recorded total comprehensive income of S\$6.91 million for the three months ended 30 June 2011 mainly from the divestment of Watchdata Technologies Ltd ("Watchdata"). The Group's share of net proceeds from its beneficiary interests held via the Company amounted to S\$2.4 million, which contributed S\$0.8 million to total comprehensive income. The net gain in fair value of financial instruments of S\$9.62 million included the gain on divestment of Watchdata which the Group held through the Funds.

Interest income of S\$0.94 million was mainly from loan granted to a portfolio company. Operating expenses of S\$2.5 million comprised of management fees of S\$0.84 million and performance incentive fees of S\$1.38 million.

**Net Asset Value**

The Group's NAV as at 30 June 2012 was S\$145.07 million, representing a NAV of S\$0.62 per share based on 234,314,106 shares which included 58,576,949 bonus shares allotted and issued pursuant to the Bonus Issue completed in May 2012. The NAV as at 31 December 2011 was S\$150.61 million or S\$0.86 per share based on 175,239,614 shares. The decline in NAV of S\$5.54 million was mainly due to the decrease in fair value of 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 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 Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

Due to the uncertainties in Europe and the frail recovery in the USA, the sales orders from these traditional markets continue to remain weak for the Asian manufacturers and suppliers. The inflationary cost pressure of the labour and raw materials also impacted on the profitability of the enterprises. The investment climate has become more challenging.

Given the difficult investment environment and pending a full review of the investment strategy, the Board has recommended to return surplus cash to shareholders after providing for operating expenses. As and when the strategy is finalised and if it is appropriate, the Board will recommend the recapitalisation of the Company to fund new investments. A separate announcement will be made.

**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/recommended, a statement to that effect.**

No dividend has been declared for the second quarter ended 30 June 2012.

**13. Interested person transactions.**

The Group does not have a shareholders' mandate for interested person transactions. The following transactions took place between the Group and interested persons during the second quarter ended 30 June 2012:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 in the listing manual of SGX-ST)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 in the listing manual of SGX-ST (excluding transactions less than S\$100,000)
Transpac Capital Pte Ltd, the Investment Manager of the Company - Investment management fees <sup>1</sup>	S\$'000  465	S\$'000  -

<sup>1</sup> The fees are for services rendered by the Investment Manager pursuant to the Management Agreement dated 12 March 1994 (as renewed and amended pursuant to the terms thereof) entered into by the Company. The Management Agreement was disclosed in the Company's prospectus dated 12 March 1994.

**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 Group for the second quarter ended 30 June 2012 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tham Shook Han  
Company Secretary  
8 August 2012