Superior Multi-Packaging Limited

(Incorporated in the Republic of Singapore)
(Company Registration No.: 197902249R)

DISPOSAL OF HOOVER GROUP

INTRODUCTION

The Board of Directors of Superior Multi-Packaging Limited (the "Company") hereby announces that the Company has on 14 February 2012 entered into a sale and purchase agreement ("SPA") with Mr Lim Ang Hock ("LAH") to dispose of its entire 96.3% shareholding in Hoover Stainless Pte Ltd ("HSPL") for a consideration of S$100,000 (the "Hoover Singapore Disposal"). In connection with the Hoover Singapore Disposal, HSPL has also on 13 February 2012 entered into a share transfer agreement ("STA") with Zhang Bao Ming, 张宝明 a People's Republic of China national, to divest Shanghai Hoover Stainless Steel Co., Ltd ("SHSS"), a 100% subsidiary of HSPL, for a consideration of RMB 5.5 million (the "Hoover Shanghai Disposal") (the "Hoover Singapore Disposal and the Hoover Shanghai Disposal collectively the "Disposal").

The aggregate consideration to be derived from the Disposal in Singapore dollars equivalent is expected to be $1,186,000 (based on an exchange rate of S$1: RMB 5.0623)

LAH is an employee of the Company and presently a director of HSPL.

THE HOOVER GROUP AND RATIONALE FOR THE DISPOSAL

The Hoover Group comprises:
- i) HSPL which is 96.3% held by the Company; and
- ii) SHSS which is 100% held through HSPL.

The Company's core business is the manufacture and sale of metal containers, plastic pails and flexible packaging materials. In the past 2 years, the Company has focused on geographical expansion of this core business, leading to the strengthening of the group's foothold in China and more recently India. Besides increasing production capacity and efficiency, the group has also stepped up various marketing strategies across all markets, leading to a larger customer base. The Company's overall strategy is to concentrate on the group's core business of metal packaging and customised flexible packaging and widen the group's earnings in this business.

The Hoover Group is in the business of fabrication and installation of architectural and decorative metalwork for commercial and residential properties and hotels. The Disposal is accordingly a divestment of non-core assets. The proceeds of the Disposal are intended to add to the group's working capital to support and develop the group's core metal and flexible packaging business.

CONSIDERATION

The consideration of S$1,186,000 ("Consideration") was arrived at taking into account of the group share of the net asset value of the Hoover Group as at 30 June 2011 which was S$1,398,000.

Based on Hoover Group's financial statements for the half year ended 30 June 2011, the net profit (before income tax, minority interests and extraordinary items) attributable to the Hoover Group is S$164,000.

The Disposal is expected to result in a loss on disposal of S$212,000 for the Company.

COMPLETION

Completion of the Disposal will take place inter-alia, upon the delivery of the accounts for the financial year ended 31 December 2011 and the obtaining of all regulatory and other approvals, if any, in respect of the Disposal.

LAH will pay the consideration in respect of the Hoover Singapore Disposal in 2 tranches, being 50% within 7 working days of completion and the balance 50% within 3 months of completion. Upon completion, LAH's employment with the Company will automatically cease and terminate.

COMPUTATION OF RULE 1006

The relative figures of Rule 1006 of the SGX-ST Listing Manual based on the Company's announced unaudited consolidated financial statements and Hoover Group's financial statements for the half year ended 30 June 2011 are as follows:

Rule	Bases	Relative Figure
1006(a)	The net asset value attributable to the Hoover Group to be disposed of is S$1,398,000, compared with the Group's latest announced consolidated net asset value of S$80,621,000 as at 30 June 2011	1.73%
1006(b)	The net profit (before income tax, minority interests and extraordinary items) attributable to the Hoover Group to be disposed of is S$164,000, compared with the Group's latest announced consolidated net profit of S$2,236,000 for the half year ended 30 June 2011	7.33%
1006(c)	The value of the consideration to be received is S$1,186,000, compared with the Company's market capitalisation of S$29,572,000 (based on the weighted average price of the Company's shares transacted on the market day preceding the date of the SPA)	4.01%

Rule	Bases	Relative Figure
1006(d)	Not applicable	Not applicable

As the relative figures shown above exceed 5% but do not exceed 20%, the Disposal is a discloseable transaction but not a major transaction within the meaning of Chapter 10 of the SGX-ST Listing Manual and therefore, the Company is not required to seek shareholders' approval for the Disposal.

FINANCIAL EFFECTS

For illustrative purposes only, the financial effects of the Disposal on the group as set out below were prepared based on the audited consolidated financial statements of the group for the financial year ended 31 December 2010 and subject to the following key assumptions:

(i) For the purposes of calculating the net tangible assets of the group after the Disposal, it is assumed that the Disposal was completed on 31 December 2010.

(ii) For the purposes of computing the earnings per share of the group, it is assumed that the Disposal was effected on 1 January 2010.

The financial effects set out below are theoretical in nature and are therefore not necessarily indicative of the future actual financial position and earnings of the group after completion of the Disposal:

(i) Net tangible assets ("NTA") per share

The NTA per share of the group would have decreased from 21.89 cents to 21.56 cents as at 31 December 2010.

(ii) Earnings per share ("EPS")

The EPS (computed based on the weighted average number of ordinary shares in issue after adjusting for the renounceable non-underwritten Rights issue in August 2010) of the group would have decreased from 1.75 cents to 1.64 cents for the year ended 31 December 2010.

INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company have any interest, direct or indirect (other than through their shareholdings in the Company), in the Disposal.

DOCUMENT FOR INSPECTION

A copy of each of the SPA and the STA is available for inspection during normal business hours from 9 a.m. to 5 p.m. at the registered office of the Company at 80 Robinson Road, #18-03, Singapore 068898 for a period of 3 months from the date of this announcement.

By Order of the Board
Liew Meng Ling/Juliana Lee Kim Lian
Company Secretaries
14 February 2012