CIRCULAR DATED 12 SEPTEMBER 2012

THIS CIRCULAR IS ISSUED BY SUPERIOR MULTI-PACKAGING LIMITED. THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATIONS OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) OF SUPERIOR MULTI-PACKAGING LIMITED AND THE ADVICE OF SAC CAPITAL PRIVATE LIMITED TO THE INDEPENDENT DIRECTORS OF SUPERIOR MULTI-PACKAGING LIMITED. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Superior Multi-Packaging Limited, you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

SUPERIOR MULTI-PACKAGING LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 197902249R)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH OFFER

by

ANZ SINGAPORE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 198602937W)

for and on behalf of

CROWN SPECIALITY PACKAGING INVESTMENT PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration No. 201216313R)

to acquire all the issued and paid-up ordinary shares in the capital of Superior Multi-Packaging Limited, other than those Shares held by the Company as treasury shares and those Shares held, directly or indirectly, by CROWN Speciality Packaging Investment Pte. Ltd. ("Offeror") as at the date of the Offer (as defined herein)

Independent Financial Adviser
to the Independent Directors of Superior Multi-Packaging Limited (in relation to the Offer)

SAC Capital

SAC CAPITAL PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200401542N)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT THE OFFER WILL CLOSE AT 5.30 P.M. ON 1 OCTOBER 2012 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR.

CONTENTS

DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

"ANZ"	:	ANZ Singapore Limited
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Shareholders dated 12 September 2012 in relation to the Offer
"Closing Date"	:	1 October 2012 or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances for the Offer
"Code"	:	The Singapore Code on Take-overs and Mergers
"Companies Act"	:	Companies Act, Chapter 50 of Singapore
"Company"	:	Superior Multi-Packaging Limited
"Company Convertible Securities"	:	Convertible securities, warrants, options and derivatives in respect of Shares or securities which carry voting rights in the Company, including Options exercisable under the Option Scheme
"CPF"	:	Central Provident Fund
"CPFIS"	:	Central Provident Fund Investment Scheme
"CPFIS Investors"	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
"Directors"	:	The directors of the Company (including the Independent Directors) as at the Latest Practicable Date
"Encumbrances"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"FAA"	:	Form of Acceptance and Authorisation which forms part of the Offer Document and which is issued to Shareholders whose Shares are deposited with CDP
"FAT"	:	Form of Acceptance and Transfer which forms part of the Offer Document and which is issued to Shareholders whose Shares are not deposited with CDP
"FY"	:	Financial year ended 31 December
"Group"	:	The Company and its subsidiaries
"HY"	:	Half year ended 30 June
"IFA"	:	SAC Capital Private Limited
"IFA Letter"	:	Letter dated 12 September 2012 from the IFA to the Independent Directors in relation to the Offer, as set out in Appendix 1 to this Circular

"Independent Directors"	:	The Directors who are independent for the purpose of making recommendations to the Shareholders in respect of the Offer, namely Professor Tan Chin Tiong, Mr Wang Gee Hock, Mr Tay Puan Siong and Ms Evelyn Tan Ang Ang
"Irrevocable Undertaking"	:	Has the meaning ascribed to it in the extract set out in Section 3.2 of this Circular
"Latest Practicable Date"	:	4 September 2012, being the latest practicable date prior to the printing of this Circular
"Listing Manual"	:	The listing manual of the Main Board of the SGX-ST
"Market Day"	:	A day on which the SGX-ST is open for trading of securities
"Minimum Acceptance Condition"	:	Has the meaning ascribed to it in Section 2.3 of this Circular
"Offer"	:	The voluntary conditional cash offer by ANZ, for and on behalf of the Offeror, to acquire all the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT
"Offer Announcement"	:	The announcement issued by ANZ on the Offer Announcement Date, for and on behalf of the Offeror, in relation to the Offer
"Offer Announcement Date"	:	15 August 2012
"Offer Document"	:	The offer document dated 31 August 2012 issued by ANZ, for and on behalf of the Offeror, in respect of the Offer
"Offer Price"	:	S$0.14 in cash for each Offer Share
"Offer Shares"	:	The Shares other than those Shares held by the Company as treasury shares and those Shares held, directly or indirectly, by the Offeror as at the date of the Offer
"Offeror"	:	CROWN Speciality Packaging Investment Pte. Ltd.
"Offeror Convertible Securities"	:	Convertible securities, warrants, options and derivatives in respect of Offeror Shares or securities which carry voting rights in the Offeror
"Offeror Shares"	:	Shares in the capital of the Offeror
"Options"	:	Options to subscribe for new Shares granted under the Option Scheme
"Option Scheme"	:	Superior Multi-Packaging (2001) Executives' Share Option Scheme
"Overseas Shareholders"	:	Shareholders whose mailing addresses are outside Singapore, as maintained on the register of members of the Company or, as the case may be, in the records of CDP
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	Holders of Shares (including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST)
"Shares"	:	Issued and paid-up ordinary shares in the capital of the Company

"SIC"	:	Securities Industry Council of Singapore
"SMPI"	:	SMP Investments (S) Pte Ltd
"S$" and "cents"	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
"%"	:	Per centum or percentage

Unless otherwise defined, the term "acting in concert" shall have the meaning ascribed to it in the Code.

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

The term "subsidiary" shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one gender shall include the other gender. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the Listing Manual or the Code or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the Listing Manual or the Code or any modification thereof, as the case may be, unless the context otherwise requires.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date, unless otherwise stated.

Any discrepancies in the figures in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, the figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "expect", "anticipate", "believe", "estimate", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "if", "will", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

SUPERIOR MULTI-PACKAGING LIMITED

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

Board of Directors:	**Registered Office:**
Professor Tan Chin Tiong (Non-Executive Chairman and Independent Director)	80 Robinson Road
Mr Wang Gee Hock (Executive Director and Chief Executive Officer)	#18-03
Mr Goh Chuen Jin (Non-Executive Director)	Singapore 068898
Mr Tay Puan Siong (Independent Director)	
Ms Evelyn Tan Ang Ang (Independent Director)	
Mr Lee Jer Ren (Alternate Director to Mr Goh Chuen Jin)	

12 September 2012

To: The Shareholders of Superior Multi-Packaging Limited

Dear Sir/Madam

VOLUNTARY CONDITIONAL CASH OFFER FOR SUPERIOR MULTI-PACKAGING LIMITED

1. INTRODUCTION

1.1 Offer Announcement

On 15 August 2012, ANZ announced, for and on behalf of the Offeror, *inter alia*, that the Offeror intends to make the Offer. A copy of the Offer Announcement is available on the website of the SGX-ST at www.sgx.com.

1.2 Offer Document

Shareholders should by now have received a copy of the Offer Document issued by ANZ, for and on behalf of the Offeror, setting out, *inter alia*, the terms and conditions of the Offer. Shareholders are advised to read the Offer Document carefully. A copy of the Offer Document is available on the website of the SGX-ST at www.sgx.com.

1.3 Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Company and to set out the recommendations of the Independent Directors and the advice of the IFA to the Independent Directors with regard to the Offer.

Information on the Company and the Directors can be found in Appendix 2 to this Circular.

2. THE OFFER

2.1 Offer Price

As set out in the Offer Document, and subject to the terms and conditions set out therein, the Offer is made on the following basis:

For each Offer Share: S$0.14 in cash.

The Offeror does not intend to revise the Offer Price, except that the Offeror reserves the right to do so in a competitive situation.

The Offer Shares are to be acquired (a) fully paid, (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**Encumbrances**"), and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, other distributions and return of capital (if any) which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date). **If any dividend, other distribution or return of capital is declared, paid or made by the Company on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, distribution or return of capital.**

2.2 Offer Shares

According to paragraph 2.2 of the Offer Document, the Offer will be extended, on the same terms and conditions, to all Offer Shares including:

(a) all the issued Shares owned, controlled or agreed to be acquired by parties acting in concert with the Offeror in connection with the Offer, including without limitation, those issued Shares held by SMPI (as described in paragraph 3.2(a) of the Offer Document (which is reproduced in Section 3.2 of this Circular)); and

(b) all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any Options on or prior to the close of the Offer.

For the purposes of the Offer, the expression "**Offer Shares**" shall include such Shares.

2.3 Condition of the Offer

According to paragraph 2.3 of the Offer Document:

The Offer will be subject to the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror holding such number of Shares carrying not less than 90% of the total voting rights attributable to the Shares in the Company as at the close of the Offer (the "**Minimum Acceptance Condition**").

The Offeror reserves the right to reduce the Minimum Acceptance Condition to a lower minimum acceptance level, provided that such change is made after obtaining the consent of the SIC. In the event that the Minimum Acceptance Condition is revised, the revised Offer shall remain open for another 14 days from the date of such revision and Shareholders who have accepted the Offer will be permitted to withdraw their acceptances within eight (8) days of notification of such revision.

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of at least 90% of the maximum potential number of Offer Shares or where the Minimum Acceptance Condition has been revised to a lower percentage level, the Offeror has received valid acceptances in respect of at least such lower percentage level of the maximum potential number of Offer Shares. For the foregoing purposes, the "**maximum potential number of Offer Shares**" means the total number of Offer Shares together with Shares which would be in issue had all the Options been validly exercised as at the date of such declaration.

2.4 Options

According to paragraph 2.4 of the Offer Document, under the rules of the Option Scheme, the Options are not freely transferable by the holders thereof. In view of this restriction, the Offeror will not make an offer to acquire the Options. However, as stated above, the Offer will be extended to all new Shares unconditionally issued or to be issued pursuant to the valid exercise prior to the close of the Offer of any such Options.

As at the Latest Practicable Date, there are outstanding Options for an aggregate 11,450,000 new Shares.

2.5 Warranty

According to paragraph 2.5 of the Offer Document, acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder, as or on behalf of the beneficial owner(s) thereof, (a) fully paid, (b) free from Encumbrances, and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, other distributions and return of capital (if any) which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date).

2.6 Duration of the Offer

According to paragraph 2.6 of the Offer Document:

(a) **Closing Date**

Except insofar as the Offer may be withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder, the Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the date of posting of the Offer Document.

The Offer will close at 5.30 p.m. on 1 October 2012 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

(b) **Offer to Remain Open for 14 Days after Being Declared Unconditional as to Acceptances**

Pursuant to Rule 22.6 of the Code, if the Offer becomes or is declared to be unconditional as to acceptances, the Offer will remain open for acceptance for not less than 14 days after the date on which it would otherwise have closed, in order to give those Shareholders who have not accepted the Offer the opportunity to do so. This requirement does not apply if, before the Offer becomes or is declared to be unconditional as to acceptances, the Offeror has given notice in writing to the Shareholders at least 14 days before the specified Closing Date that the Offer will not be open for acceptance beyond that date, provided that such notice may not be given, or if already given, shall not be capable of being enforced in a competitive situation. If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with paragraph 3(c) of Appendix V to the Offer Document, such 14-day period referred to in Rule 22.6 of the Code will run from the date of such confirmation (if given), or the date on which the Offer would otherwise have expired, whichever is later.

(c) **Final Day Rule**

Pursuant to Rule 22.9 of the Code, the Offer (whether revised or not) will not be capable of becoming or being declared to be unconditional as to acceptances after 5.30 p.m. on the 60th day after the date of posting of the Offer Document or of being kept open after the expiry of such period, unless it has previously become or been declared to be unconditional as to acceptances, except with the prior approval of the SIC. The SIC will consider granting such permission in circumstances including but not limited to where a competing offer has been announced.

(d) **Revision**

Pursuant to Rule 20.1 of the Code, the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including those who had previously accepted the Offer.

(e) **Subsequent Closing Date**

If there is an extension of the Offer, pursuant to Rule 22.4 of the Code, any announcement of an extension of the Offer will state the next closing date or if the Offer is unconditional as to acceptances, a statement may be made that the Offer will remain open until further notice. In the latter case, those Shareholders who have not accepted the Offer will be notified in writing at least 14 days before the Offer is closed.

(f) **Time for Fulfilment of Other Conditions**

Except with the consent of the SIC, all conditions of the Offer must be fulfilled or the Offer must lapse within 21 days of the first Closing Date or the date the Offer becomes or is declared unconditional as to acceptances, whichever is the later. The only condition to this Offer is set out in paragraph 2.3 of the Offer Document (and which can also be found in Section 2.3 of this Circular).

2.7 Details of the Offer

Appendix V of the Offer Document sets out further details on (a) the settlement of the consideration for the Offer, (b) the requirements relating to the announcement of the level of acceptances of the Offer, and (c) the right of withdrawal of acceptances of the Offer.

2.8 Procedures for Acceptance

Appendix VI of the Offer Document sets out the procedures for acceptance of the Offer.

3. INFORMATION ON THE OFFEROR AND ARRANGEMENTS WITH THE PARTIES ACTING IN CONCERT WITH THE OFFEROR

3.1 The Offeror

Paragraph 3.1 of the Offer Document sets out information on the Offeror, an extract of which is set out in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"*The Offeror is a special purpose vehicle incorporated in Singapore.*

*As at the Latest Practicable Date, the share capital of the Offeror comprises 100 shares, of which 60 shares are owned by CROWN Asia Pacific Holdings Pte. Ltd. ("**CROWN**"), an indirect wholly owned subsidiary of Crown Holdings, Inc., a company incorporated under the laws of Pennsylvania and listed on the New York Stock Exchange. Crown Holdings, Inc. is a leading manufacturer of packaging products for consumer marketing companies around the world and is engaged in the design, manufacture and sale of packaging products for consumer goods. The remaining 40 shares in the Offeror are owned by Pianissimo Ltd ("**Pianissimo**"), a company incorporated in Bermuda. As at the Latest Practicable Date, Pianissimo has a deemed interest in 146,492,266 Shares, representing approximately 39.63% of all the Shares, held by SMPI, the single largest Shareholder of the Company. SMPI is a wholly owned subsidiary of Pianissimo. Pianissimo is, in turn, wholly owned by Codan Trust Company Ltd, a company incorporated under the laws of Bermuda. The directors of Pianissimo are Mr. Goh Cheng Liang ("**GCL**"), Mr. Kenichi Wada, Ms. Tang Chin Wen and Mr. Cheung Man Jit. Pianissimo is also a trustee of a trust known as Presto Trust, of which Mr. Goh Chuen Jin ("**GCJ**") and GCL are protectors. GCJ is also the appointed representative of SMPI on the board of directors of the Company.*

***Appendix I and Appendix II** to this Offer Document sets out certain additional information on the Offeror and Crown Holdings, Inc..*"

Additional information on the Offeror is set out in Appendix 3 to this Circular.

3.2 Arrangements between the Offeror and its Parties acting in Concert

Paragraph 3.2 of the Offer Document sets out information on the arrangements between the Offeror and its parties acting in concert, an extract of which is set out in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"*For the purpose of making the Offer, the Offeror and its parties acting in concert have entered into the following arrangements (the "**Arrangements**"):*

*(a) SMPI has executed an irrevocable undertaking ("**Irrevocable Undertaking**") in favour of the Offeror, pursuant to which SMPI has undertaken to, inter alia, (i) accept the Offer in respect of the Offer Shares held by it, and (ii) assign the right to receive the proceeds (the "**Proceeds**") that would be payable as consideration pursuant to SMPI's acceptance of the Offer to Pianissimo, such that the Proceeds will be regarded as an interest-free shareholder's loan from Pianissimo extended in favour of the Offeror (the "**Pianissimo Loan**"). Pursuant to the Irrevocable Undertaking, SMPI shall:*

(A) procure Pianissimo to, conditional upon the successful close of the Offer, subscribe for new ordinary shares in the Offeror, if necessary;

(B) waive its right under Rule 30 of the Code to receive any cash settlement or payment for its acceptance of the Offer and to agree that the Offer Shares held by it will be transferred to the Offeror as soon as the Offer becomes or is being declared unconditional in all respects; and

(C) during the period commencing on the date of the Irrevocable Undertaking and ending on the Closing Date, SMPI shall not accept any other offer from any party other than the Offeror for all or any of the Offer Shares held by it, whether or not such other offer is at a higher price than the Offer Price for the Offer Shares held by it and/or on more favourable terms than under the Offer.

The Irrevocable Undertaking shall terminate and cease to have any further effect if the Offer (including any amended, revised or improved Offer by or on behalf of the Offeror) is withdrawn, lapses or closes; and

*(b) CROWN, Pianissimo and the Offeror have entered into a shareholders' agreement (the "**Shareholders' Agreement**") to, inter alia, regulate their relationship inter se as shareholders of the Offeror on the terms and subject to the conditions of the Shareholders' Agreement. The Shareholders' Agreement includes provisions such as those relating to board matters and board and shareholder reserved matters. Under the Shareholders' Agreement, any funding required by the Offeror to satisfy all acceptances (other than those acceptances in respect of the Shares held by SMPI and including new Shares issued pursuant to the valid exercise of any ESOS Option) in the Offer shall be funded by CROWN in the form of an interest-free shareholder's loan (the "**CROWN Loan**"). Following the completion of the Offer, the Offeror shall allot and issue such number of shares in the Offeror to each of CROWN and Pianissimo, and CROWN and Pianissimo shall subscribe for new ordinary shares in the Offeror (the "**Offeror Shares**") (where necessary) such that their respective shareholding proportion reflects the proportion of shareholder loans contributed by CROWN (pursuant to the CROWN Loan) and Pianissimo (pursuant to the Pianissimo Loan).*

The SIC has confirmed that the Arrangements do not constitute special deals for the purpose of Rule 10 of the Code."

4. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

The full text of the rationale for the Offer and the Offeror's intentions for the Company has been extracted from paragraph 5 of the Offer Document and is set out in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document. **Shareholders are advised to read the extract below carefully.**

"***5. <u>RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY</u>***

5.1 Greater Management Flexibility

As noted in paragraph 6 of this Offer Document, the Offeror is making the Offer with a view to delisting the Company from the SGX-ST and exercising any rights of compulsory acquisition that may arise under Section 215(1) of the Companies Act. The Offeror believes that privatising the Company will give the Offeror and the management of the Company more flexibility to manage and develop the business of the Company, pursue business and investment opportunities, optimise the use of its resources and facilitate the implementation of any strategic initiatives and/or operational changes.

In addition, it is the intention of the Offeror that cash flow generated by the Company post Offer will be used to continue to develop and grow the existing business operations of the Company, enter new lines of service and develop and pursue investment opportunities (including acquisitions) across various geographical regions. Such growth initiatives and potential acquisitions may also be funded by equity and debt financing. In this regard, the growth strategy to be adopted by the Offeror may have a dilutive effect on the Shareholders.

The Offeror believes that the privatisation of the Company would also allow the Company to save on additional expenses relating to the maintenance of its listing status and focus its resources on its business operations.

5.2 Clean Cash Exit Opportunity at an Attractive Premium

Through this Offer, the accepting Shareholders will have an opportunity to realise their investments in the Company for a cash consideration at an attractive premium over the historical transacted prices of the Shares on the SGX-ST, without incurring any brokerage and other trading costs.

*The Offeror refers to the announcements made by the Company on 29 June 2012, 6 July 2012 and 10 July 2012, and the substantial increase in the price and trading volume of the Shares between 29 June 2012 and 10 July 2012 (inclusive) (the "**<u>Holding Announcement Period</u>**").*

The following table benchmarks the Offer Price against the various benchmark prices of the Shares on the SGX-ST including trading during the Holding Announcement Period as well as excluding the Holding Announcement Period:

Description	***Benchmark Price (S$)***[(1)]	***Premium over Benchmark Price***[(2)] ***(%)***
*Last transacted price per Share on 14 August 2012 (being the last full day of trading in the Shares on the SGX-ST immediately prior to the Offer Announcement Date (the "**Last Trading Day**"))*	*0.0830*	*68.7*
Last transacted price per Share on the Latest Practicable Date	*0.1360*	*2.9*
VWAPs (Excluding Trading During the Holding Announcement Period)		
VWAP for the one (1)-month period prior to and including the Last Trading Day	*0.0883*	*58.6*
VWAP for the three (3)-month period prior to and including the Last Trading Day	*0.0906*	*54.5*
VWAP for the six (6)-month period prior to and including the Last Trading Day	*0.0895*	*56.4*
VWAP for the 12-month period prior to and including the Last Trading Day	*0.0872*	*60.6*
VWAPs (Including Trading During the Holding Announcement Period)		
VWAP for the one (1)-month period prior to and including the Last Trading Day	*0.0883*	*58.6*
VWAP for the three (3)-month period prior to and including the Last Trading Day	*0.1125*	*24.4*
VWAP for the six (6)-month period prior to and including the Last Trading Day	*0.1114*	*25.7*
VWAP for the 12-month period prior to and including the Last Trading Day	*0.1087*	*28.8*

***Notes**:*

(1) Source: Bloomberg L.P. The Share prices reflected have been adjusted for share splits and rights issues where applicable.

(2) Computed based on the Share prices in S$ which were rounded to the nearest four (4) decimal places.

In addition, other than during the Holding Announcement Period, the Shares have not transacted at or above the Offer Price within the past two (2) years prior to the Last Trading Day. Further, the Offeror notes that from the first trading day immediately following the end of the Holding Announcement Period to the Last Trading Day, the VWAP was S$0.0922.

For the purpose of evaluating the financial terms of the Offer, the Offer Price implies the following valuation ratios.

Valuation Ratios	***For the Twelve Months Ended 30 June 2012 (Unaudited)[(1)]***
P/E[(2)]	*25.3x*
EV/EBITDA	*8.3x*

***Notes**:*

(1) Sources: The Company's FY2011 annual report and 1H12 financial report.
(2) Based on profit from continuing operations, net of tax attributable to the Shareholders.

5.3 Low Trading Liquidity

The trading liquidity of the Shares on the SGX-ST in the past year has been generally low other than during the Holding Announcement Period.

Excluding the trading during the Holding Announcement Period, the average daily trading volume of the Shares for the 12-month period prior to and including the Last Trading Day is as follows:

Average Daily Trading Volume:[(1)(2)]	*491,906 Shares*
As a percentage of total number of issued Shares:	*0.1%*
As a percentage of free float:[(3)]	*0.2%*

Notes:

(1) Source: Bloomberg L.P.
(2) The average daily trading volume is computed based on the total trading volume for all the days on which there was trading in the Shares on the SGX-ST and for the relevant periods immediately prior to and including the Last Trading Day excluding the Holding Announcement Period, divided by the total number of days on which the SGX-ST is open for trading in securities during the respective periods.
(3) Based on 198,975,717 Shares in free float as at the Latest Practicable Date.

In view of the generally low trading liquidity, the Offer represents a unique cash exit opportunity for Shareholders to realise their investment in the Shares without incurring brokerage and other trading costs, at a price which otherwise may not be possible by way of selling the Shares in the market if the Offer does not succeed.

5.4 Offeror's Intentions for the Company

Save as disclosed above, the Offeror has no present intention to (a) make any major changes to the existing businesses of the Company, (b) redeploy the fixed assets of the Company, or (c) discontinue the employment of the employees of the Group. Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which it regards to be in the interests of the Offeror."

5. LISTING STATUS AND COMPULSORY ACQUISITION

Paragraph 6 of the Offer Document sets out the intentions of the Offeror relating to the listing status of the Company and its right of compulsory acquisition, an extract of which is set out in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"***6.1 Listing Status***

Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of issued Shares (excluding any Shares held by the Company as treasury shares), the SGX-ST may suspend the listing of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued Shares (excluding any Shares held by the Company as treasury shares) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding any Shares held by the Company as treasury shares), thus causing the percentage of the total number of issued Shares (excluding any Shares held by the Company as treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Under Rule 724(1) of the Listing Manual, if the percentage of the Shares held in public hands falls below 10%, the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares held in public hands to at least 10%, failing which the Company may be delisted.

6.2 Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares from Shareholders who have not accepted the Offer at a price equal to the Offer Price.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90% or more of the total number of issued Shares (excluding any Shares held by the Company as treasury shares), the Shareholders who have not accepted the Offer at a price equal to the Offer Price have a right to require the Offeror to acquire their Shares at the Offer Price. Such Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

6.3 Offeror's Intentions

The Offeror intends to make the Company its wholly owned subsidiary and does not intend to preserve the listing status of the Company. ***Accordingly, the Offeror when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take steps for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, inter alia, less than 10% of the total number of issued Shares (excluding any Shares held by the Company as treasury shares) are held in public hands.*** *In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.*"

6. EXEMPTION RELATING TO DIRECTORS' RECOMMENDATIONS

The SIC has ruled that Mr Goh Chuen Jin and Mr Lee Jer Ren are exempted from assuming responsibility for any recommendations on the Offer that the board of Directors may make to Shareholders as they face irreconcilable conflict of interests in doing so being directors of, and parties acting in concert with, the Offeror. However, Mr Goh Chuen Jin and Mr Lee Jer Ren remain responsible for the accuracy of the facts stated or opinions expressed or issued by, or on behalf of, the Company to Shareholders in connection with the Offer.

7. ADVICE OF THE IFA

7.1 IFA

SAC Capital Private Limited has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Offer. Shareholders should consider carefully the recommendations of the Independent Directors and the advice of the IFA to the Independent Directors before deciding whether to accept or reject the Offer. The IFA's advice is set out in its letter dated 12 September 2012, which is reproduced in Appendix 1 to this Circular.

7.2 Advice of the IFA

The IFA has made certain recommendations to the Independent Directors in the IFA Letter. An extract of paragraph 7 of the IFA Letter is set out below in *italics*. Shareholders should read the extract in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise defined or the context otherwise requires, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter.

"*In arriving at our advice in respect of the Offer, we have taken into account, inter alia, the following key considerations:*

(a) an assessment of the market quotation and trading liquidity of the Shares as follows:

(i) in relation to the Share prices:

(aa) the Offer Price representing a significant premium of 115.4% and 33.3% over the lowest and the highest prices of the Shares respectively during the 24-month period prior to the Holding Announcement;

(bb) the Offer Price representing a significant premium of 62.1%, 85.6%, 87.0%, 83.7% and 74.4% over the VWAP of the Shares for the 24-, 12-, 6-, 3- and one-month period prior to the Holding Announcement respectively;

(cc) the Offer Price representing a premium of 5.5% over the VWAP of the Shares of S\$0.1327 for the period after the Holding Announcement and up to the Lapse Announcement;

(dd) the Offer Price representing a significant premium of 51.9% over the VWAP of the Shares of S\$0.0922 for the period after the Lapse Announcement and up to the Offer Announcement;

(ee) the Offer Price representing a significant premium of 66.7% over the last transacted price of S\$0.084 on 15 August 2012, being the last Market Day on which the Shares were traded prior to the Offer Announcement;

(ff) the Offer Price representing a marginal premium of 3.9% over the VWAP of the Shares of S\$0.1348 for the period after the Offer Announcement and up to the Latest Practicable Date; and

(gg) the Offer Price representing a marginal premium of 2.9% over the closing price of the Shares of S\$0.136 on the Latest Practicable Date;

(ii) in relation to the trading liquidity of the Shares:

(aa) the Shares having an average daily trading volume of approximately 482,000 Shares during the 24-month period prior to the Holding Announcement;

(bb) the average daily trading volume of the Shares for the 24-, 12-, 6-, 3- and one-month period prior to the Holding Announcement representing only 0.24%, 0.08%, 0.09%, 0.12% and 0.21% of the free float respectively;

(cc) the Shares having an average daily trading volume of approximately 13,503,000 Shares representing 6.84% of the free float during the period after the Holding Announcement and up to the Lapse Announcement;

(dd) the Shares having an average daily trading volume of approximately 3,542,000 Shares representing 1.79% of the free float during the period after the Lapse Announcement and up to the Offer Announcement; and

(ee) the Shares having an average daily trading volume of approximately 2,683,000 Shares representing 1.36% of the free float during the period after the Offer Announcement and up to the Latest Practicable Date;

(iii) in relation to the relative performance of the Shares versus the FSTAS Index:

(aa) the Shares having generally under-performed the FSTAS Index in relative terms during the period commencing 24 months prior to the Holding Announcement and ending on the date of the Offer Announcement, except for intermittent periods in March and April 2011 and more significantly during the period between the Holding Announcement and the Lapse Announcement;

(bb) the Share price having appreciated significantly by 61.9% as compared to a marginal decrease of 1.0% in the FSTAS Index during the period from 15 August 2012 (being the Market Day on which the Shares were last transacted prior to the Offer Announcement) to the Latest Practicable Date; and

(cc) the market price of the Shares as at the Latest Practicable Date appearing to be supported by the Offer and may not be sustained at the current level prevailing as at the Latest Practicable Date after the close of the Offer or if the Offer lapses or is withdrawn;

(b) a comparison with the book NAV, adjusted NAV and RNAV of the Group as follows:

(i) the Offer Price representing a significant discount of 38.7% to the unaudited NAV per Share of S$0.2284 as at 30 June 2012;

(ii) the Offer Price representing a significant discount of 38.5% to the Adjusted NAV per Share of S$0.2278 as at 30 June 2012;

(iii) the Offer Price representing a significant discount of 52.6% to the RNAV per Share of S$0.2955 as at 30 June 2012; and

(iv) there being little value ascribed to the business operations and other assets of the Group, in view that the revalued amount of the Revalued Properties (net of potential tax liabilities) of S$49.53 million represents a significant 95.7% of the Offer value of S$51.75 million;

(c) a comparison with the valuation statistics of the Comparable Companies as follows:

(i) the historical PER of 22.75 times of the Group as implied by the Offer Price being (aa) above the range of historical PERs of the Comparable Companies of between 7.07 times and 18.37 times, and (bb) at a significant premium of 122.4% and 160.9% over the mean and median historical PERs of the Comparable Companies of 10.23 times and 8.72 times respectively;

(ii) the historical price-to-NAV ratio of 0.61 times of the Group as implied by the Offer Price being (aa) within the range of historical price-to-NAV ratios of the Comparable Companies of between 0.32 times and 1.35 times, and (bb) at a discount of 22.6% and 14.1% to the mean and median historical price-to-NAV ratios of the Comparable Companies of 0.79 times and 0.71 times respectively; and

(iii) the historical EV/EBITDA ratio of 7.96 times of the Group as implied by the Offer Price being (aa) within the range of historical EV/EBITDA ratios of the Comparable Companies of between 3.88 times and 9.44 times, and (bb) at a premium of 26.3% and 30.1% over the mean and median historical EV/EBITDA ratios of the Comparable Companies of 6.30 times and 6.12 times respectively;

(d) a comparison with the Take-over Transactions as follows:

(i) the premium of the Offer Price over the last transacted price of the Shares prior to the Offer Announcement of 66.7% being (aa) within the range of corresponding premia of the Take-over Transactions of between 14.0% and 104.3%, and (bb) significantly above the corresponding mean and median premia of 44.6% and 33.3% of the Take-over Transactions respectively;

(ii) the price-to-NAV ratio as implied by the Offer Price of 0.61 times being (aa) at the lower end of the range of price-to-NAV ratios of the Take-over Transactions of between 0.53 times and 2.05 times, and (bb) at a significant discount of 48.8% and 39.0% to the mean and median price-to-NAV ratios of the Take-over Transactions of 1.19 times and 1.00 times respectively; and

(iii) the price-to-RNAV ratio as implied by the Offer Price of 0.47 times being (aa) below the range of price-to-NAV ratios of the Take-over Transactions of between 0.53 times and 2.05 times, and (bb) at a significant discount of 60.6% and 53.0% to the mean and median price-to-NAV ratios of the Take-over Transactions of 1.19 times and 1.00 times respectively; and

(e) other relevant considerations in relation to the Offer as follows:

(i) the historical financial performance and condition of the Group, as set out in paragraph 6.5.1 of this letter;

(ii) the Offer being a conditional offer and its implications, as set out in paragraph 6.5.2 of this letter;

(iii) the limitation on subsequent offers by the Offeror, as set out in paragraph 6.5.3 of this letter;

(iv) the previous rights issue undertaken by the Company, as set out in paragraph 6.5.4 of this letter;

(v) the dividend track record of the Company and a comparison with alternative investments, as set out in paragraph 6.5.5 of this letter;

(vi) the listing status and compulsory acquisition of the Company, including the implications and consequences in the event of a trading suspension and/or delisting of the Shares, as set out in paragraph 6.5.6 of this letter; and

(vii) the absence of alternative take-over offers from third parties, as set out in paragraph 6.5.7 of this letter.

Based on our analysis set out above and after considering all relevant information available to us as at the Latest Practicable Date from a financial point of view, we are of the opinion that the Offer Price, while reasonable in the context of the recent historical market prices of the Shares and the Group's earnings-based valuation, does not appear to be fair from a net asset value perspective, particularly in the context of the Take-over Transactions. Accordingly, we advise the Independent Directors to recommend to Shareholders who are confident of the longer-term prospects of the Group to REJECT the Offer. We would highlight to Shareholders who wish to retain their Shares that (a) the market price and/or trading liquidity of the Shares as at the Latest Practicable Date appear to be supported by the Offer and may not be sustained at the current levels after the close of the Offer or if the Offer lapses or is withdrawn; and (b) there are certain implications and consequences (as set out in paragraph 6.5.6 of this letter) in the event of a trading suspension and/or delisting of the Shares.

Shareholders who nonetheless wish to avail themselves of the opportunity to monetise their investment in the Shares at a significant premium over the recent historical transacted Share prices may wish to ACCEPT the Offer. Such Shareholders should note that as the Offer has yet to become unconditional as at the Latest Practicable Date, they will be assured of receiving the Offer Price only if the Offer were to become unconditional by the close of the Offer. In the event that the Offer does not become unconditional by the close of the Offer, the Offer will lapse and Shareholders who have accepted the Offer will have their acceptances returned to them and continue to hold their Shares. Accordingly, such Shareholders may wish to consider SELLING their Shares on the open market (with the related trading costs) if they desire the certainty of divesting their Shares.

The Independent Directors should note that we have arrived at our advice based on the information made available to us as at the Latest Practicable Date. Our advice on the Offer cannot and does not take into account the future trading activity or patterns or price levels that may be established for the Shares as these are governed by factors beyond the scope of our review and do not fall within our terms of reference in connection with our evaluation of the financial terms of the Offer.

We have prepared this letter for the use of the Independent Directors in connection with and for the purposes of their consideration of the Offer, and any recommendation made by the Independent Directors in respect of the Offer shall remain their responsibility.

Whilst a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any purpose (other than the intended purpose in relation to the Offer) at any time and in any manner without the prior written consent of SAC Capital in each specific case.

This letter is governed by and shall be construed in accordance with the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter."

8. RECOMMENDATIONS OF THE INDEPENDENT DIRECTORS

8.1 Recommendations

The Independent Directors, having considered carefully the terms of the Offer and the advice given by the IFA, CONCUR with the advice of the IFA in respect of the Offer. Accordingly, the Independent Directors recommend to Shareholders who are confident of the longer-term prospects of the Group to REJECT the Offer. The Independent Directors would highlight to Shareholders who wish to retain their Shares that (a) the market price and/or trading liquidity of the Shares as at the Latest Practicable Date appear to be

supported by the Offer and may not be sustained at the current levels after the close of the Offer or if the Offer lapses or is withdrawn; and (b) there are certain implications and consequences (as set out in paragraph 6.5.6 of the IFA Letter) in the event of a trading suspension and/or delisting of the Shares.

Shareholders who nonetheless wish to avail themselves of the opportunity to monetise their investment in the Shares at a significant premium over the recent historical transacted Share prices may wish to ACCEPT the Offer. Such Shareholders should note that as the Offer has yet to become unconditional as at the Latest Practicable Date, they will be assured of receiving the Offer Price only if the Offer were to become unconditional by the close of the Offer. In the event that the Offer does not become unconditional by the close of the Offer, the Offer will lapse and Shareholders who have accepted the Offer will have their acceptances returned to them and continue to hold their Shares. Accordingly, such Shareholders may wish to consider SELLING their Shares on the open market (with the related trading costs) if they desire the certainty of divesting their Shares.

Shareholders should read and consider carefully this Circular in its entirety, in particular, the advice of the IFA as set out in the IFA Letter reproduced in Appendix 1 to this Circular before deciding whether or not to accept the Offer.

8.2 No Regard to Specific Objectives

In making their recommendations, the Independent Directors have not had regard to the specific investment objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Shareholder. Accordingly, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

9. OVERSEAS SHAREHOLDERS

Paragraph 8 of the Offer Document sets out information relating to Overseas Shareholders, an extract of which is set out in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"*The availability of the Offer to Shareholders whose mailing addresses are outside Singapore, as maintained on the register of members of the Company or, as the case may be, in the records of CDP (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, any Overseas Shareholder should inform himself about and observe any applicable legal requirements. Where there are potential restrictions on sending this Offer Document, the FAAs and/or the FATs to any overseas jurisdiction, the Offeror and ANZ each reserves the right not to send these documents to Shareholders in such overseas jurisdictions. For the avoidance of doubt, the Offer is open to all Shareholders, including those to whom this Offer Document, the FAAs and/or the FATs have not been, or may not be, sent.*

*Copies of this Offer Document and any other formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a "**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

Overseas Shareholders may, nonetheless, obtain copies of this Offer Document, the FAAs and/or the FATs and any related documents, during normal business hours and up to the Closing Date, from the Offeror through its receiving agent, M & C Services Private Limited at 138 Robinson Road #17-00, The Corporate Office, Singapore 068906 or CDP at 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807. Alternatively, an Overseas Shareholder may write to the Offeror through M & C Services Private Limited and CDP at the addresses listed above to request for this Offer Document, the FAAs and/or the FATs and any related documents to be sent to an address in Singapore by ordinary post at the Overseas Shareholder's own risk, up to five (5) Market Days prior to the Closing Date.

It is the responsibility of any Overseas Shareholder who wishes to (a) request for this Offer Document, the FAAs and/or the FATs and/or any related documents, or (b) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including ANZ) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror and/or any person acting on its behalf (including ANZ) may be required to pay. In (i) requesting for this Offer Document, the FAAs and/or the FATs and any related documents and/or (ii) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror and ANZ that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. ***Any Overseas Shareholder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.***

The Offeror and ANZ each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Overseas Shareholders by announcement to the SGX-ST or notice and if necessary, paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement, notice or advertisement."

10. INFORMATION PERTAINING TO CPFIS INVESTORS

Paragraph 10 of the Offer Document sets out information pertaining to CPFIS Investors, an extract of which is set out in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"*CPFIS Investors will receive further information on how to accept the Offer from the CPF Agent Banks directly. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice. CPFIS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks. CPFIS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their CPF investment accounts.*"

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. on 1 October 2012, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, abiding by the procedures for the acceptance of the Offer as set out in Appendix VI to the Offer Document, the FAA and/or the FAT.

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received, on behalf of the Offeror, by CDP (in respect of the FAA) or M & C Services Private Limited (in respect of the FAT), as the case may be, not later than 5.30 p.m. on 1 October 2012, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document, the FAA and/or the FAT which have been sent to them.

12. RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than the IFA Letter) are fair and accurate and that no material facts have been omitted the omission of which would make any statement in this Circular (other than the IFA Letter) misleading, and they jointly and severally accept responsibility accordingly. Where any information in this Circular (other than the IFA Letter) has been extracted or reproduced from the Offer Document or from published or publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

Yours faithfully
For and on behalf of the Board of Directors of
Superior Multi-Packaging Limited

Professor Tan Chin Tiong
Non-Executive Chairman

APPENDIX 1

LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

SAC CAPITAL PRIVATE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200401542N)

1 Robinson Road #21-02 AIA Tower
Singapore 048542

12 September 2012

To: The Independent Directors of Superior Multi-Packaging Limited (in relation to the Offer)

Professor Tan Chin Tiong
Mr Wang Gee Hock
Mr Tay Puan Siong
Ms Evelyn Tan Ang Ang

Dear Sirs

VOLUNTARY CONDITIONAL CASH OFFER FOR ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF SUPERIOR MULTI-PACKAGING LIMITED

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meanings herein.

1. INTRODUCTION

On 15 August 2012 (the "**Offer Announcement Date**"), ANZ Singapore Limited ("**ANZ**") announced (the "**Offer Announcement**"), for and on behalf of CROWN Speciality Packaging Investment Pte. Ltd. (the "**Offeror**"), that the Offeror intends to make a voluntary conditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares (the "**Shares**") in the capital of Superior Multi-Packaging Limited (the "**Company**"), other than those Shares held by the Company as treasury Shares and those Shares held, directly or indirectly, by the Offeror as at the date of the Offer (the "**Offer Shares**").

The formal Offer Document was despatched to Shareholders on 31 August 2012.

In connection with the Offer, the Company has appointed us as the independent financial adviser to the Directors who are independent in relation to the Offer (the "**Independent Directors**") to advise on the financial terms of the Offer. This letter, which sets out, *inter alia*, our evaluation and advice, has been prepared for the use of the Independent Directors in connection with their consideration of the Offer and their recommendation to Shareholders arising thereof.

2. OUR TERMS OF REFERENCE

We have been appointed as the independent financial adviser to the Independent Directors to provide an assessment of the financial terms of the Offer in order to advise the Independent Directors in respect of their recommendation to Shareholders on the Offer.

We were not privy to the negotiations in relation to the Offer or any other offers. We do not, by this letter, make any representation or warrant the merits of the Offer. We have not been requested to express, and we do not express, an opinion on the relative merits of the Offer as compared to any other alternative transactions. We have not been instructed or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares. We have not conducted a comprehensive independent review of the business, operations or financial condition of the Company and its subsidiaries (collectively, the "**Group**") or the Offeror. Our evaluation is confined to the financial terms of the Offer and we have not evaluated the commercial rationale or merits of the Offer or the future growth prospects or earnings potential of the Group after the completion of the Offer. Accordingly, we do not express any view as to the prices at which the Shares may trade or on the future financial performance of the Group after the completion of the Offer.

In the course of our evaluation, we have held discussions with the Directors and the management of the Group (the "**Management**") and have relied on the information and representations, whether written or verbal, provided to us by the Directors and/or the Management, including the information contained in the Circular. We have not independently verified such information or representations and accordingly cannot and do not warrant or accept responsibility for the accuracy, completeness or adequacy of these information or representations. We have, however, made such enquiries and exercised such judgement (as we deemed necessary) in assessing the information and representations provided to us, and have found no reason to doubt the reliability of such information or representations which we have relied on.

The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, (a) all material information available to them in connection with the Offer has been disclosed in the Circular; (b) such information is true and accurate in all material respects; and (c) there is no other information or fact, the omission of which would cause any information disclosed to us or the facts stated in the Circular to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information but nonetheless have made such enquiries and exercised such judgement as were deemed necessary and have found no reason to doubt the reliability of the information or facts. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or facts.

We have not made any independent evaluation or appraisal of the assets and liabilities of the Group. We have also not been furnished with any such evaluation or appraisal, except for the valuation summary (the "**Valuation Summary**") prepared by Cushman & Wakefield VHS Pte. Ltd., being the independent valuer appointed by the Company in connection with the Offer (the "**Independent Valuer**"), as set out in Appendix 7 of the Circular. As we are not experts in the evaluation or appraisal of the assets set out in the Valuation Summary, we have placed sole reliance on the Independent Valuer in the evaluation or appraisal of the aforementioned assets.

Our opinion and advice, as set out in this letter, are based on the market, economic, industry and other applicable conditions prevailing on, and the information made available to us as of, the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion and advice in the light of any subsequent development after the Latest Practicable Date that may affect our opinion and advice contained herein.

In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or specific group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

Our opinion and advice in relation to the Offer should be considered in the context of the entirety of this letter and the Circular.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Circular (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular (other than this letter).

3. THE OFFER

3.1 In accordance with Rule 15 of The Singapore Code on Take-overs and Mergers (the "**Code**"), and subject to the terms and conditions set out in the formal Offer Document issued by ANZ for and on behalf of the Offeror, the Offeror has made the Offer for the Offer Shares on the following basis:

For each Offer Share: S$0.14 in cash (the "Offer Price")

The Offeror does not intend to revise the Offer Price, except that the Offeror reserves the right to do so in a competitive situation.

3.2 The Offer Shares are to be acquired (a) fully paid, (b) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever ("**Encumbrances**"), and (c) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto (including the right to receive and retain all dividends, other distributions and return of capital (if any) which may be announced, declared, paid or made thereon by the Company on or after the Offer Announcement Date). **If any dividend, other distribution or return of capital is declared, paid or made by the Company on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such dividend, distribution or return of capital.**

3.3 The Offer will be extended, on the same terms and conditions, to all Offer Shares including:

(a) all the issued Shares owned, controlled or agreed to be acquired by parties acting in concert with the Offeror in connection with the Offer, including without limitation, those issued Shares held by SMP Investments (S) Pte Ltd ("**SMPI**") (as described in paragraph 3.2(a) of the Offer Document); and

(b) all new Shares unconditionally issued or to be issued pursuant to the valid exercise of any options (each, an "**Option**") to subscribe for new Shares granted under the Superior Multi-Packaging (2001) Executives' Share Option Scheme (the "**Scheme**"), on or prior to the close of the Offer.

For the purposes of the Offer, the expression "**Offer Shares**" shall include such Shares.

3.4 The Offer will be subject to the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror holding such number of Shares carrying not less than 90% of the total voting rights attributable to the Shares in the Company as at the close of the Offer (the "**Minimum Acceptance Condition**").

The Offeror reserves the right to reduce the Minimum Acceptance Condition to a lower minimum acceptance level, provided that such change is made after obtaining the consent of the SIC. In the event that the Minimum Acceptance Condition is revised, the revised Offer shall remain open for another 14 days from the date of such revision and Shareholders who have accepted the Offer will be permitted to withdraw their acceptances within eight (8) days of notification of such revision.

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of at least 90% of the maximum potential number of Offer Shares or where the Minimum Acceptance Condition has been revised to a lower percentage level, the Offeror has received valid acceptances in respect of at least such lower percentage level of the maximum potential number of Offer Shares. For the foregoing purposes, the "**maximum potential number of Offer Shares**" means the total number of Offer Shares together with Shares which would be in issue had all the Options been validly exercised as at the date of such declaration.

3.5 Further details of the Offer are set out in section 2 and Appendix V of the Offer Document, and Shareholders are advised to read the information carefully.

4. INFORMATION ON THE OFFEROR AND ARRANGEMENTS WITH THE PARTIES ACTING IN CONCERT WITH THE OFFEROR

4.1 The Offeror

The Offeror is a special purpose vehicle incorporated in Singapore.

As at 27 August 2012, the share capital of the Offeror comprises 100 shares, of which 60 shares are owned by CROWN Asia Pacific Holdings Pte. Ltd. ("**CROWN**"), an indirect wholly-owned subsidiary of Crown Holdings, Inc., a company incorporated under the laws of Pennsylvania and listed on the New York Stock Exchange. Crown Holdings, Inc. is a leading manufacturer of packaging products for consumer marketing companies around the world and is engaged in the design, manufacture and sale of packaging products for consumer goods. The remaining 40 shares in the Offeror are owned by Pianissimo Ltd ("**Pianissimo**"), a company incorporated in Bermuda. As at 27 August 2012, Pianissimo has a deemed interest in 146,492,266 Shares, representing approximately 39.63% of all the Shares, held by SMPI, the single largest Shareholder of the Company. SMPI is a wholly-owned subsidiary of Pianissimo. Pianissimo is, in turn, wholly-owned by Codan Trust Company Ltd, a company incorporated under the laws of Bermuda. The directors of Pianissimo are Mr Goh Cheng Liang ("**GCL**"), Mr Kenichi Wada, Ms Tang Chin Wen and Mr Cheung Man Jit. Pianissimo is also a trustee of a trust known as Presto Trust, of which Mr Goh Chuen Jin ("**GCJ**") and GCL are protectors. GCJ is also the appointed representative of SMPI on the board of directors of the Company.

As at 27 August 2012, the Offeror and CROWN do not hold any Shares.

Additional information on the Offeror and Crown Holdings, Inc. is set out in Appendices I and II of the Offer Document respectively, and Shareholders are advised to read the information carefully.

4.2 Arrangements between the Offeror and Parties Acting in Concert with the Offeror

For the purpose of making the Offer, the Offeror and parties acting in concert with it have entered into the following arrangements (the "**Arrangements**"):

(a) SMPI has executed an irrevocable undertaking (the "**Irrevocable Undertaking**") in favour of the Offeror, pursuant to which SMPI has undertaken to, *inter alia*, (i) accept the Offer in respect of the Offer Shares held by it, and (ii) assign the right to receive the proceeds (the "**Proceeds**") that would be payable as consideration pursuant to SMPI's acceptance of the Offer to Pianissimo, such that the Proceeds will be regarded as an interest-free shareholder's loan from Pianissimo extended in favour of the Offeror (the "**Pianissimo Loan**"). Pursuant to the Irrevocable Undertaking, SMPI shall:

(aa) procure Pianissimo to, conditional upon the successful close of the Offer, subscribe for new ordinary shares in the Offeror, if necessary;

(bb) waive its right under Rule 30 of the Code to receive any cash settlement or payment for its acceptance of the Offer and to agree that the Offer Shares held by it will be transferred to the Offeror as soon as the Offer becomes or is being declared unconditional in all respects; and

(cc) during the period commencing on the date of the Irrevocable Undertaking and ending on the Closing Date, SMPI shall not accept any other offer from any party other than the Offeror for all or any of the Offer Shares held by it, whether or not such other offer is at a higher price than the Offer Price for the Offer Shares held by it and/or on more favourable terms than under the Offer.

The Irrevocable Undertaking shall terminate and cease to have any further effect if the Offer (including any amended, revised or improved Offer by or on behalf of the Offeror) is withdrawn, lapses or closes; and

(b) CROWN, Pianissimo and the Offeror have entered into a shareholders' agreement (the "**Shareholders' Agreement**") to, *inter alia*, regulate their relationship *inter se* as shareholders of the Offeror on the terms and subject to the conditions of the Shareholders' Agreement. The Shareholders' Agreement includes provisions such as those relating to board matters and board and shareholder reserved matters. Under the Shareholders' Agreement, any funding required by the Offeror to satisfy all acceptances (other than those acceptances in respect of the Shares held by SMPI and including new Shares issued pursuant to the valid exercise of any Option) in the Offer shall be funded by CROWN in the form of an interest-free shareholder's loan (the "**CROWN Loan**"). Following the completion of the Offer, the Offeror shall allot and issue such number of shares in the Offeror to each of CROWN and Pianissimo, and CROWN and Pianissimo shall subscribe for new ordinary shares in the Offeror (the "**Offeror Shares**") (where necessary) such that their respective shareholding proportion reflects the proportion of shareholder loans contributed by CROWN (pursuant to the CROWN Loan) and Pianissimo (pursuant to the Pianissimo Loan).

The SIC has confirmed that the Arrangements do not constitute special deals for the purpose of Rule 10 of the Code.

5. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

5.1 Rationale for the Offer

As set out in section 5.1 of the Offer Document, the Offeror is making the Offer with a view to delisting the Company from the SGX-ST and exercising any rights of compulsory acquisition that may arise under Section 215(1) of the Companies Act. The Offeror believes that privatising the Company will give the Offeror and the management of the Company more flexibility to manage and develop the business of the Company, pursue business and investment opportunities, optimise the use of its resources and facilitate the implementation of any strategic initiatives and/or operational changes.

In addition, it is the intention of the Offeror that cash flow generated by the Company post Offer will be used to continue to develop and grow the existing business operations of the Company, enter new lines of service and develop and pursue investment opportunities (including acquisitions) across various geographical regions. Such growth initiatives and potential acquisitions may also be funded by equity and debt financing. In this regard, the growth strategy to be adopted by the Offeror may have a dilutive effect on the Shareholders.

The Offeror believes that the privatisation of the Company would also allow the Company to save on additional expenses relating to the maintenance of its listing status and focus its resources on its business operations.

The following reasons for the Offer have also been set out in sections 5.2 and 5.3 of the Offer Document:

(a) clean cash exit opportunity at an attractive premium; and

(b) low trading liquidity.

Further details are set out in section 5 of the Offer Document, and Shareholders are advised to read the information carefully.

5.2 Offeror's Intentions for the Company

Save as disclosed above, the Offeror has no present intention to (a) make any major changes to the existing businesses of the Company, (b) redeploy the fixed assets of the Company, or (c) discontinue the employment of the employees of the Group. Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which it regards to be in the interests of the Offeror.

6. FINANCIAL ASSESSMENT OF THE OFFER

In assessing the financial terms of the Offer, we have taken into account the following factors which we consider to have a significant bearing on our assessment:

(a) Market quotation and trading liquidity of the Shares;

(b) Book net asset value ("**NAV**"), adjusted NAV and revalued NAV of the Group;

(c) Comparison of valuation statistics of companies broadly comparable to the Group;

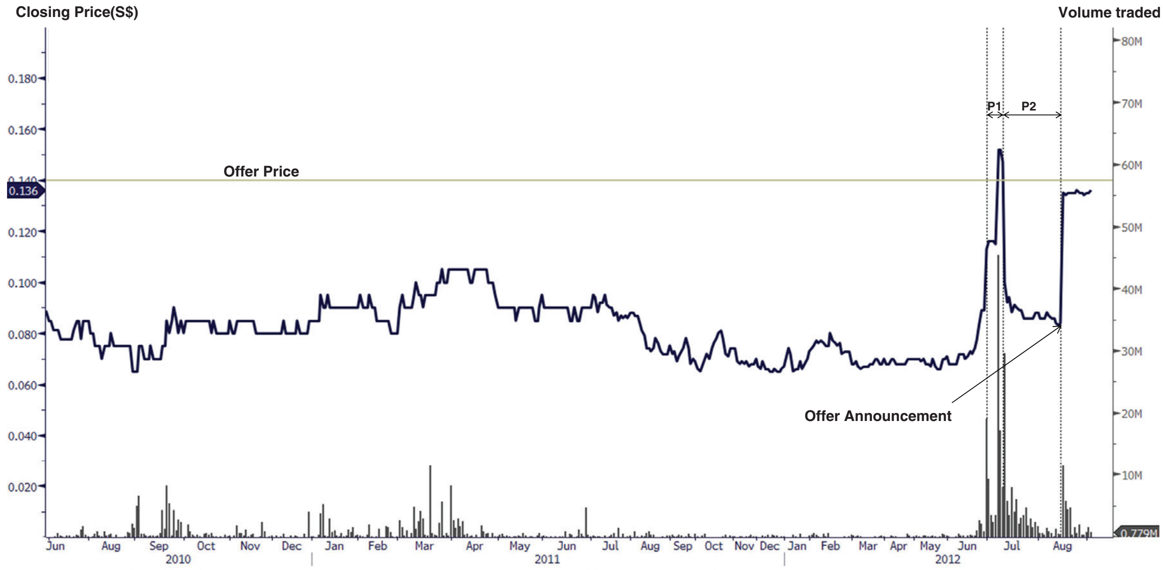
(d) Comparison with recent successful privatisation transactions and delisting offers of companies listed on the SGX-ST; and

(e) Other relevant considerations.

6.1 Market Quotation and Trading Liquidity of the Shares

6.1.1 Share price performance

A graphical representation of the daily closing prices and volume traded of the Shares for the period commencing 24 months prior to the Holding Announcement (as defined below) on 29 June 2012 and ending on the Latest Practicable Date is set out below:



Source: Bloomberg L.P.

Note: "P1" refers to the period between the Holding Announcement and the Lapse Announcement (as defined below), while "P2" refers to the period between the Lapse Announcement and the Offer Announcement.

A summary of the salient announcements relating to the Group's business operations and the Offer during the aforesaid period is as follows:

Date	Event
12 August 2010	Announcement of the unaudited financial results for the half year ended 30 June 2010 ("**HY2010**"), which reported a 1,367.6% increase in net profit attributable to Shareholders from S$0.15 million in HY2009 to S$2.17 million in HY2010
25 August 2010	Announcement of the subscription results of the renounceable non-underwritten rights issue of 181,878,000 new Shares (the "**Rights Shares**") at an issue price of S$0.055 for each Rights Share, on the basis of one Rights Share for every one existing Share (the "**Rights Issue**"), which was 1.76 times subscribed
27 August 2010	Announcement of the listing and quotation of the Rights Shares pursuant to the Rights Issue on the Official List of the SGX-Mainboard with effect from 9.00 a.m. on 30 August 2010
1 September 2010	Announcement of the appointment of Associate Professor Loh Han Tong as an Executive Director and the consequential reconstitution of the composition of the board committees of the Company
13 September 2010	Announcement of the incorporation of a wholly-owned subsidiary, Superior Cans & Pails Containers (Pune) Private Limited, in the State of Maharashtra in India with an authorised capital of Rupees 30 million (equivalent to S$866,0000), of which Rupees 500,000 (equivalent to S$14,400) comprising 50,000 shares of Rupees 10 each has been paid-up

Date	Event
30 December 2010	Announcement of the utilisation of the net proceeds from the Rights Issue
7 January 2011	Announcement of the appointment of Ms Tan Ang Ang Evelyn as an Independent Non-Executive Director and the consequential reconstitution of the composition of the audit committee of the Company
27 January 2011	Announcement of the cessation of Mr Ng Chok Say as a director of the Company and the cessation of Ms Ng Lay Leng as alternate director to Mr Ng Chok Say
23 February 2011	Announcement of the adjustments to the exercise prices of the share options granted pursuant to the ESOS from S$0.13 to S$0.0813 and S$0.063 respectively
28 February 2011	Announcement of the unaudited financial results for the financial year ended 31 December 2010 ("**FY2010**"), which reported a 115.5% increase in net profit attributable to Shareholders from S$2.33 million in FY2009 to S$5.02 million in FY2010
7 March 2011	Announcement of the reconstitution of the board committees of the Company
12 April 2011	Announcement of the fair value of Zhejiang Gaote Metal Decorating Co., Ltd. of S$0.88 million subsequent to the completion of the purchase price allocation performed by the Management and the corresponding goodwill arising on acquisition of S$0.90 million
13 April 2011	Notice of annual general meeting ("**AGM**") and extraordinary general meeting ("**EGM**") to be held on 29 April 2011
29 April 2011	Announcement of the passing of all the resolutions during the AGM and EGM held on 29 April 2011
12 August 2011	Announcement of the unaudited financial results for the half year ended 30 June 2011 ("**HY2011**"), which reported a 25.7% decrease in net profit attributable to Shareholders from S$2.17 million in HY2010 to S$1.62 million in HY2011
3 October 2011	Announcement of the increase in the registered and paid-up share capital of the Company's 95%-owned subsidiary, Neo Tech Packaging (Shanghai) Co., Ltd., from US$1.8 million to US$2.3 million by way of the Company injecting an additional US$0.475 million in cash
	Announcement of the establishment of a branch office in Zhengzhou, the People's Republic of China (the "**PRC**"), which principal business will be the manufacture and sale of metal containers
2 February 2012	Announcement of the appointment of Mr Lee Jer Ren, and the cessation of Mr Lim Chee Ho, as the alternate director to Mr Goh Chuen Jin, a Non-Executive Director
7 February 2012	Announcement of the cessation of Associate Professor Loh Han Tong as Executive Director

Date	Event
14 February 2012	Announcement of the proposed disposal by the Company of its entire 96.3% shareholding in Hoover Stainless Pte Ltd ("**HSPL**") to Mr Lim Ang Hock for a consideration of S$100,000 (the "**Hoover Singapore Disposal**"), and the entry into a share transfer agreement with Mr Zhang Bao Ming to divest Shanghai Hoover Stainless Steel Co., Ltd, a 100% subsidiary of HSPL, for a consideration of RMB5.5 million (the "**Hoover Shanghai Disposal**")
28 February 2012	Announcement of the completion of the Hoover Singapore Disposal Announcement of the unaudited financial results for the financial year ended 31 December 2011 ("**FY2011**"), which reported a 50.5% decrease in net profit from continuing operations attributable to Shareholders from S$4.57 million in FY2010 (restated) to S$2.26 million in FY2011
18 May 2012	Announcement of the completion of the Hoover Shanghai Disposal
29 June 2012	Announcement of the Company being in preliminary exploratory discussions with a party (the "**Party**") on an initiative involving the Shares, which may or may not lead to an offer being made for the Company (the "**Holding Announcement**")
10 July 2012	Announcement of the Company being notified by the Party that the Party has decided not to proceed with the matter (the "**Lapse Announcement**")
10 August 2012	Announcement of the unaudited financial results for the half year ended 30 June 2012 ("**HY2012**"), which reported a 8.9% decrease in net profit attributable to Shareholders from S$1.62 million in HY2011 to S$1.47 million in HY2012
15 August 2012	Offer Announcement
21 August 2012	Announcement of the appointment of SAC Capital Private Limited as the independent financial adviser to advise the Independent Directors in relation to the Offer
31 August 2012	Announcement of the despatch of the Offer Document

Source: Announcements relating to the Group on the SGX-ST

Additional information on the traded closing prices of the Shares, volume-weighted average prices ("**VWAPs**") and average daily trading volumes for the period commencing 24 months prior to the Holding Announcement and ending on the Latest Practicable Date is set out below:

	Lowest closing price (S$)	Highest closing price (S$)	VWAP (S$)	Premium / (Discount) of Offer Price over / (to) VWAP (%)	Average daily trading volume[1] ('000)	Average daily trading volume as percentage of free float[2] (%)
Periods prior to Holding Announcement						
Last 24 months	0.065	0.105	0.0864	62.1	482	0.24
Last 12 months	0.065	0.095	0.0754	85.6	161	0.08
Last 6 months	0.065	0.089	0.0748	87.0	173	0.09
Last 3 months	0.066	0.089	0.0762	83.7	230	0.12
Last one month	0.068	0.089	0.0803	74.4	410	0.21
Period after Holding Announcement and up to Lapse Announcement						
29 June 2012 to 10 July 2012	0.113	0.152	0.1327	5.5	13,503	6.84
Period after Lapse Announcement and up to Offer Announcement						
11 July 2012 to 15 August 2012	0.083	0.100	0.0922	51.9	3,542	1.79
Last Market Day[3]	0.084	0.084	0.0840[4]	66.7	380	0.19
Period after Offer Announcement and up to Latest Practicable Date						
16 August 2012 to 4 September 2012[5]	0.134	0.136	0.1348	3.9	2,683	1.36
Latest Practicable Date	0.136	0.136	0.1360[6]	2.9	779	0.39

Source: Bloomberg L.P.

Notes:

(1) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded divided by the number of Market Days during the relevant periods.

(2) Free float refers to the Shares other than those held by the Directors, substantial Shareholders and their associates (as defined in the Listing Manual) which amounts to 197,535,717 Shares for each of the above periods.

(3) This refers to the last Market Day on which the Shares were traded prior to the Offer Announcement, being 15 August 2012.

(4) This refers to the last transacted price on 15 August 2012, being the last Market Day on which the Shares were traded prior to the Offer Announcement.

(5) This refers to the period from 3.30 p.m. on 16 August 2012 (i.e. immediately after the lifting of the trading halt pursuant to the Offer Announcement) to the Latest Practicable Date.

(6) This refers to the last transacted price on the Latest Practicable Date.

We note the following with regard to the Share prices:

(a) during the 24-month period prior to the Holding Announcement, the closing prices of the Shares ranged between a low of S$0.065 and a high of S$0.105. The Offer Price represents a significant premium of 115.4% and 33.3% over the lowest and the highest prices of the Shares respectively during the period;

(b) the Offer Price represents a significant premium of 62.1%, 85.6%, 87.0%, 83.7% and 74.4% over the VWAP of the Shares for the 24-, 12-, 6-, 3- and one-month period prior to the Holding Announcement respectively;

(c) the Offer Price represents a premium of 5.5% over the VWAP of the Shares of S$0.1327 for the period after the Holding Announcement and up to the Lapse Announcement;

(d) the Offer Price represents a significant premium of 51.9% over the VWAP of the Shares of S$0.0922 for the period after the Lapse Announcement and up to the Offer Announcement;

(e) the Offer Price represents a significant premium of 66.7% over the last transacted price of S$0.084 on 15 August 2012, being the last Market Day on which the Shares were traded prior to the Offer Announcement;

(f) the Offer Price represents a marginal premium of 3.9% over the VWAP of the Shares of S$0.1348 for the period after the Offer Announcement and up to the Latest Practicable Date; and

(g) the Offer Price represents a marginal premium of 2.9% over the closing price of the Shares of S$0.136 on the Latest Practicable Date.

We also note the following with regard to the trading liquidity of the Shares:

(a) during the 24-month period prior to the Holding Announcement, the Shares were traded on 404 Market Days out of a total of 504 Market Days (or 80.2% of the total number of Market Days during the period), with an average daily trading volume of approximately 482,000 Shares;

(b) the average daily trading volume of the Shares for the 24-, 12-, 6-, 3- and one-month period prior to the Holding Announcement represented only 0.24%, 0.08%, 0.09%, 0.12% and 0.21% of the free float respectively;

(c) during the period after the Holding Announcement and up to the Lapse Announcement, the Shares were traded on all 8 Market Days (100.0%) during the period, with an average daily trading volume of approximately 13,503,000 Shares representing 6.84% of the free float;

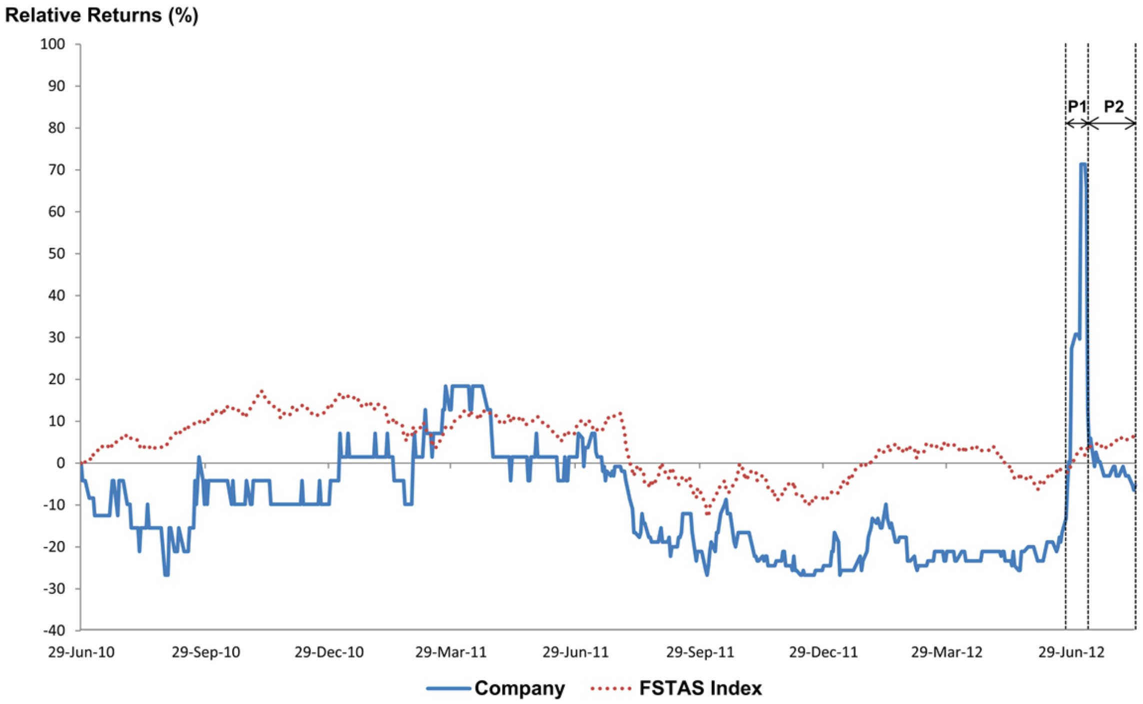
(d) during the period after the Lapse Announcement and up to the Offer Announcement, the Shares were traded on all 25 Market Days (100.0%) during the period, with an average daily trading volume of approximately 3,542,000 Shares representing 1.79% of the free float; and

(e) during the period after the Offer Announcement and up to the Latest Practicable Date, the Shares were traded on all 13 Market Days (100.0%) during the period, with an average daily trading volume of approximately 2,683,000 Shares representing 1.36% of the free float.

6.1.2 Relative performance of the Shares versus the market index

For the period commencing 24 months prior to the Holding Announcement and ending on the date of the Offer Announcement

The chart below sets out the relative returns (daily basis) of the Shares in relation to the relative returns (daily basis) of the FTSE Strait Times All Share Index[1] (the "**FSTAS Index**") for the period commencing 24 months prior to the Holding Announcement and ending on the date of the Offer Announcement:



Source: Bloomberg L.P.

Note: "P1" refers to the period between the Holding Announcement and the Lapse Announcement, while "P2" refers to the period between the Lapse Announcement and the Offer Announcement.

We observe that during the aforesaid period, the Shares have generally under-performed the FSTAS Index in relative terms except for intermittent periods in March and April 2011 and more significantly during the period between the Holding Announcement (when it was announced that the Company was in preliminary exploratory discussions with a party on an initiative involving the Shares, which may or may not lead to an offer being made for the Company) and the Lapse Announcement (when it was announced that the Company had been notified that the aforesaid party had decided not to proceed with the matter).

As at 15 August 2012 (being the Market Day on which the Shares were last transacted prior to the Offer Announcement), the Share price had declined by 5.3% while the FSTAS Index had appreciated by 6.0% over the same period.

1 The FSTAS Index is a modified market capitalisation-weighted index comprising all companies within the top 98% by full market capitalisation of the SGX-Mainboard universe (i.e. large-, mid- and small-capitalisation indices combined).

For the period commencing on the Market Day after the Offer Announcement and ending on the Latest Practicable Date

We have also reviewed the relative performance of the Shares against the FSTAS Index on 15 August 2012 (being the Market Day on which the Shares were last transacted prior to the Offer Announcement) and on the Latest Practicable Date:

	As at 15 August 2012	**As at Latest Practicable Date**	**% change**
Company (S$)	0.084	0.136	61.9
FSTAS Index	739.72	732.12	(1.0)

Source: Bloomberg L.P.

We note that the Share price had appreciated significantly by 61.9% as compared to a marginal decrease of 1.0% in the FSTAS Index over the aforesaid period.

Based on the above observations, it would appear that the market price of the Shares as at the Latest Practicable Date is being supported by the Offer and may not be sustained at the current level prevailing as at the Latest Practicable Date after the close of the Offer or if the Offer lapses or is withdrawn. Shareholders should note that the past trading performance of the Shares should not in any way be relied upon as an indication or a promise of its future trading performance.

6.2 Book NAV, Adjusted NAV and Revalued NAV of the Group

Book NAV

The unaudited NAV of the Group as at 30 June 2012 amounted to S$84.44 million or S$0.2284 per Share, based on 369,656,000 issued Shares as at 30 June 2012. Accordingly, the Offer Price represents a significant discount of 38.7% to the unaudited NAV per Share of S$0.2284 as at 30 June 2012.

Adjusted NAV

Adjusting for the issue and allotment of an aggregate of 1,600,000 Shares arising from the exercise of the Options at an exercise price of S$0.0813 per Share between 1 July 2012 and the Latest Practicable Date, the unaudited NAV of the Group as at 30 June 2012 (the "**Adjusted NAV**") would have been S$84.57 million or S$0.2278 per Share based on 371,256,000 issued Shares. The Offer Price would represent a significant discount of 38.5% to the Adjusted NAV per Share of S$0.2278 as at 30 June 2012.

The Directors have confirmed that to the best of their knowledge and belief, save for the aforesaid exercise of the Options and the valuation of the Revalued Properties (as defined below), (i) they are not aware of any circumstances which may cause the NAV of the Group as at the Latest Practicable Date to be materially different from that recorded in the unaudited balance sheet of the Group as at 30 June 2012; (ii) there have been no material disposals or acquisitions of assets by the Group since 30 June 2012 and up to the Latest Practicable Date; and (iii) there are no contingent liabilities or bad or doubtful debts which are likely to have a material impact on the unaudited NAV of the Group as at 30 June 2012.

Revalued NAV

In connection with the Offer and in compliance with Rule 26 of the Code, the Company has commissioned the Independent Valuer to conduct independent valuations of the properties owned by the Group except for a 574 square-metre workers' dormitory (the "**Revalued Properties**") as at 30 June 2012. The aggregate unaudited net book value ("**NBV**") of the Revalued Properties of S$24.37 million as at 30 June 2012 represents 47.1% of the Offer value of approximately S$51.75 million (computed as the Offer Price of S$0.14 multiplied by 369,656,000 Shares as at 30 June 2012). Further details on the Revalued Properties are set out in the Valuation Summary in Appendix 7 of the Circular.

The independent valuations of the Revalued Properties involve certain assumptions, limitations and disclaimers as stated in the Valuation Summary, and Shareholders are advised to read the above in conjunction with the Valuation Summary in its entirety as set out in Appendix 7 of the Circular.

We set out below a summary of the market values of the Revalued Properties as extracted from the Valuation Summary and the Group's net revaluation surplus/(deficit) after potential tax liabilities:

Location	**Description**	**Market value(1) (S$'000)**	**NBV (S$'000)**	**Net revaluation surplus/(deficit)(2) (S$'000)**
7 Benoi Sector, Singapore 629842	2-storey office and factory building	26,500	8,918	16,882
429 Lihang Road, Wangqiao Industrial Park, Pudong New District, Shanghai, the PRC	3-storey office and factory building	11,294	3,761	3,425
Dongjiang Avenue, Dongjiang Industrial Zone, Shuikou Town, Huizhou, Guangdong, the PRC	Single-storey office, factory and dormitory building	2,419	1,356	664
30 Quanxing Road, Langfang Economic & Technical Development Zone, Langfang, Hebei, the PRC	2-storey office and factory building	5,717	1,764	1,983
10 Taiyuan Road, Tianjin Jinbin Industrial Park, Wuqing District, Tianjin, the PRC	2-storey office and factory building	11,994	6,704	2,496
309 Tongyu Road, Tudian Town Light Textile Industrial Park, Tongxiang, Jiaxing, Zhejiang, the PRC	2-storey office and factory building	1,859	1,867	(295)
TOTAL		**59,783**	**24,370**	**25,155**

Notes:

(1) Based on an exchange rate of RMB1 : S$0.1999 for the properties in the PRC.

(2) Net revaluation surplus is calculated as the difference between the market values as stated in the Valuation Summary and their corresponding book values as at 30 June 2012 and net of potential tax liabilities. The potential tax liabilities are computed by the Management assuming the hypothetical sale of the Revalued Properties at the respective valuation amounts and applicable tax rates.

The revalued NAV ("**RNAV**") of the Group as at 30 June 2012 is computed as follows:

	Aggregate (S$'000)	Per Share(1) (S$)	Discount represented by Offer Price (%)
Adjusted NAV as at 30 June 2012	84,569	0.2278	(38.5)
Add: Net revaluation surplus from the Revalued Properties	25,155	0.0678	n.a.(2)
RNAV as at 30 June 2012	109,724	0.2955	(52.6)

Notes:

(1) Based on 371,256,000 issued Shares.

(2) Not applicable.

We note that the Offer Price represents a significant discount of 52.6% to the RNAV per Share of S$0.2955 as at 30 June 2012.

In addition, we note that the net revaluation surplus from the Revalued Properties of S$0.0678 per Share represents 48.4% of the Offer Price of S$0.14. The revalued amount of the Revalued Properties (net of potential tax liabilities) of S$49.53 million (computed as the aggregate of their NBVs of S$24.37 million as at 30 June 2012 and the net revaluation surplus of S$25.16 million) represents a significant 95.7% of the Offer value of S$51.75 million. Accordingly, it would appear that there is little value being ascribed to the business operations and other assets of the Group.

Shareholders should note the following:

(a) the above analysis is provided solely for illustration purposes and in compliance with the applicable requirements of the Code;

(b) the RNAV is not necessarily a realisable value given that the market values of the Revalued Properties may vary and are dependent on, *inter alia*, the prevailing market and economic conditions. There is also no assurance that the eventual sale prices (if any) will be identical to those appraised by the Independent Valuer in the Valuation Summary or that the revaluation surplus eventually recorded by the Group on the Revalued Properties (if any) will be the same as indicated above; and

(c) the potential tax liabilities have been provided pursuant to the requirement under Rule 26.3 of the Code on the assumption of a hypothetical sale of the Revalued Properties, and such tax liabilities will not crystallise if the Group does not dispose of the Revalued Properties. The Directors have confirmed that, as at the Latest Practicable Date, the Group does not have any plans for an impending material disposal and/or conversion of the use of the Group's assets and/or any material change in the nature of the Group's businesses, and the Group has not received any offers for the Revalued Properties at the market values set out in the Valuation Summary. It would appear that the likelihood of such tax liabilities crystallising is low.

6.3 <u>Comparison of Valuation Statistics of Companies Broadly Comparable to the Group</u>

In order to derive a reasonable range of valuation for the purposes of assessing the financial terms of the Offer, we have, in consultation with the Management, considered the relative valuation analysis vis-à-vis other listed companies which principal business activities are broadly comparable to the Group. As the metal containers business segment accounted for the bulk (64.1%) of the Group's revenue of S$161.36 million in FY2011, we have focused on listed companies which are principally engaged in the metal packaging business for comparison purposes. Given that there are no suitable comparable companies listed on the SGX-ST (as they are not principally engaged in the metal packaging business), we have referred to selected comparable companies listed and traded on stock exchanges in the Asia Pacific region which are principally engaged in the metal packaging business with their latest annual revenues ranging between S$50 million and S$250 million (collectively, the "**Comparable Companies**").

Details on the Comparable Companies, including their country of listing, business descriptions and selected key financial and valuation statistics, are set out below and in the annex to this letter:

(a) China Food Packaging Incorporation Limited / Korea ("**CFP**");

(b) Daeryuk Can Co., Ltd. / Korea ("**Daeryuk**");

(c) Hindustan Tin Works Limited / India ("**Hindustan**");

(d) Kingcan Holdings Limited / Taiwan ("**Kingcan**");

(e) Nihon Seikan K.K. / Japan ("**Nihon Seikan**"); and

(f) Seung Il Corporation / Korea ("**Seung Il**").

Shareholders should note that there is no company or group listed on any relevant stock exchange which may be considered identical to the Group in terms of business activities, market capitalisation, scale of operations, risk profile, geographical spread, operating and financial leverage, accounting policies, applicable accounting standards, tax factors, track record and future prospects. In addition, each of the Comparable Companies may engage in other separate business activities which are not related to the metal packaging business. As such, any comparison made herein is strictly limited in scope.

In assessing the financial terms of the Offer, we have used the following valuation parameters in our analysis:

Valuation parameter	**Description**
Price-earnings ratio ("**PER**")	The historical PER, which illustrates the ratio of the market price of a company's shares relative to its historical consolidated earnings per share, is commonly used for the purpose of illustrating the profitability, and hence valuation, of a company. We have considered the historical PERs of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and latest full-year net earnings per share vis-à-vis the corresponding historical PER of the Group based on the Offer Price.
Price-to-NAV ratio	An NAV-based approach is useful to illustrate the extent that the value of each share is backed by assets, and would be more relevant in the case where the group were to change the nature of its business or realise or convert the use of all or most of its assets. The NAV-based valuation approach may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets over a reasonable period of time at the aggregate value of the assets used in the computation of the NAV, with the balance to be distributed to its shareholders after the settlement of all the liabilities and obligations of the company or group.

Valuation parameter	Description
	We have considered the historical price-to-NAV ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and latest available NAV per share vis-à-vis the corresponding historical price-to-NAV ratio of the Group based on the Offer Price.
Enterprise value to EBITDA ("**EV/EBITDA**") ratio	The historical EV/EBITDA ratio illustrates the ratio of the market value of a company's business relative to its historical consolidated pre-tax operating cashflow performance, without regard to its capital structure, and provides an indication of current market valuation relative to operating performance. "EV" is the sum of a company's market capitalisation, preferred equity, minority interests, short- and long-term debts less cash and cash equivalents, and represents the actual cost to acquire the entire company. "EBITDA" refers to historical consolidated earnings before interest, tax, depreciation and amortisation expenses. EBITDA can be used to analyse the profitability between companies as it eliminates the effects of financing and accounting decisions. We have considered the historical EV/EBITDA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date, latest available balance-sheet values and latest full-year EBITDA vis-à-vis the corresponding historical EV/EBITDA ratio of the Group based on the Offer Price.

The following table sets out the comparative valuation statistics of the Comparable Companies *vis-à-vis* the Group as implied by the Offer Price:

Company	**Historical PER (times)**	**Historical price-to-NAV ratio (times)**	**Historical EV/EBITDA ratio (times)**
CFP	7.59	0.83	6.12
Daeryuk	18.37	1.35	9.44
Hindustan	9.40	0.59	4.76
Kingcan	8.72	1.18	7.32
Nihon Seikan	n.a.(1)	0.46	n.a.(1)
Seung Il	7.07	0.32	3.88
High	18.37	1.35	9.44
Mean	10.23	0.79	6.30
Median	8.72	0.71	6.12
Low	7.07	0.32	3.88
Group	**22.75**	**0.61**	**7.96**

Source: *Bloomberg L.P., annual reports and/or announcements of the respective companies and SAC Capital's computations*

Note:

(1) Not applicable as the company recorded losses and negative EBITDA.

PER comparison

We note that the historical PER of 22.75 times of the Group as implied by the Offer Price is:

(a) above the range of historical PERs of the Comparable Companies of between 7.07 times and 18.37 times; and

(b) at a significant premium of 122.4% and 160.9% over the mean and median historical PERs of the Comparable Companies of 10.23 times and 8.72 times respectively.

Price-to-NAV comparison

We note that the historical price-to-NAV ratio of 0.61 times of the Group as implied by the Offer Price is:

(a) within the range of historical price-to-NAV ratios of the Comparable Companies of between 0.32 times and 1.35 times; and

(b) at a discount of 22.6% and 14.1% to the mean and median historical price-to-NAV ratios of the Comparable Companies of 0.79 times and 0.71 times respectively.

EV/EBITDA comparison

We note that the historical EV/EBITDA ratio of 7.96 times of the Group as implied by the Offer Price is:

(a) within the range of historical EV/EBITDA ratios of the Comparable Companies of between 3.88 times and 9.44 times; and

(b) at a premium of 26.3% and 30.1% over the mean and median historical EV/EBITDA ratios of the Comparable Companies of 6.30 times and 6.12 times respectively.

6.4 Comparison with Recent Successful Privatisation Transactions and Delisting Offers of Companies Listed on the SGX-ST

We note that as set out in section 6.3 of the Offer Document, the Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. Accordingly, the Offeror when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take steps for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the total number of issued Shares (excluding any Shares held by the Company as treasury Shares) are held in public hands. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

In view of the above and for the purposes of providing an illustrative guide as to the attractiveness of the Offer Price relative to other take-over transactions, we have compared the financial terms of the Offer with (a) selected recent successful privatisation transactions announced during the 12-month period prior to the Offer Announcement, whether by way of a general offer under the Code or a scheme of arrangement under Section 210 of the Companies Act where the offeror has stated its intentions to delist the target company from the Official List of the SGX-ST and (b) selected recent successful delisting offers under Rule 1307 of the Listing Manual announced during the 12-month period prior to the Offer Announcement (collectively, the "**Take-over Transactions**"). As some of the Take-over Transactions had undertaken revaluations and/or adjustments to their assets which may have a material impact on their last announced book values, we have compared the financial terms of the Offer with the revalued NAV (or revalued NTA where applicable) and/or adjusted NAV (or adjusted NTA where applicable) of the Take-over Transactions where available.

We wish to highlight that the Take-over Transactions set out below are by no means exhaustive. In addition, as the Group is not directly comparable to the target companies involved in the Take-over Transactions in terms of business activities, scale of operations, market capitalisation, geographical spread, risk profile, accounting policies, financial performance, operating and financial leverage, track record and future prospects, the comparison merely serves as a general guide to provide an indication of the premia/discounts paid in connection with the privatisation/delisting of companies listed on the SGX-ST. Each of the Take-over Transactions must be judged on its own commercial and financial merits. Shareholders should also note that the premium (if any) to be paid by an offeror in a privatisation/delisting transaction varies in different circumstances depending on, *inter alia*, the attractiveness of the underlying business to be acquired, the synergies to be gained from integration with an existing business, the trading liquidity of the target company's shares, prevailing market expectations and the presence of competing bids. Accordingly, any comparison made herein is strictly limited in scope.

Company	**Nature of transaction**	**Date of announcement**	**Offer price per share**	**Premium of offer price over last transacted price prior to announcement of offer (%)**	**Offer price-to-NAV ratio (times)**
Asia Environment Holdings Limited	Privatisation	23 August 2011	S$0.300[(1)]	33.3[(1)]	0.98
Pacific Shipping Trust	Delisting	4 October 2011	US$0.430	14.7	1.00
Beyonics Technology Limited	Scheme of arrangement	5 October 2011	S$0.260	32.0	0.53
Heng Long International Ltd.	Privatisation	7 October 2011	S$0.600	76.5[(2)]	1.78
Unidux Electronics Limited	Privatisation	28 October 2011	S$0.143	104.3	1.00
CHT (Holdings) Ltd.	Delisting	31 October 2011	S$0.180	100.0	0.65
Leeden Limited	Delisting	8 November 2011	S$0.570	14.0[(3)]	1.40
SMB United Limited	Privatisation	28 December 2011	S$0.400	33.3[(4)]	1.25
China Healthcare Limited	Privatisation	5 March 2012	S$0.280	16.7	1.69
Adampak Limited	Privatisation	2 April 2012	S$0.420	21.7	2.05
Brothers (Holdings) Limited	Privatisation	30 May 2012	S$0.260	44.4	0.78
High				**104.3**	**2.05**
Mean				**44.6**	**1.19**
Median				**33.3**	**1.00**
Low				**14.0**	**0.53**
Company		**15 August 2012**	**S$0.140**	**66.7**	**0.61 / 0.47[(5)]**

Source: *Announcements and circulars to shareholders in relation to the respective Take-over Transactions and SAC Capital's computations*

Notes:

(1) The offer for Asia Environment Holdings Limited was at a cash consideration of S$0.300 or one new share in the offeror. The market premium in the table above was computed based on the cash consideration of S$0.300 and the last transacted price of S$0.225 prior to the announcement of the offer.

(2) On 6 May 2011, Heng Long International Ltd. ("**Heng Long**") announced that it had been notified that its substantial shareholders had been approached with a non-binding expression of interest in a possible transaction involving the shares or business of Heng Long which may or may not lead to an offer being made for Heng Long or its business (the "**Heng Long Holding Announcement**"). Subsequent updates to the Heng Long Holding Announcement were released by the Company periodically. On 7 October 2011, HLI Holding Pte. Ltd. announced a voluntary conditional cash offer for the shares of Heng Long at an offer price of S$0.60 in cash for each offer share. The market premium in the table above was computed based on an offer price of S$0.60 and the last transacted price of S$0.34 prior to the Heng Long Holding Announcement.

(3) On 20 October 2011, Leeden Limited ("**Leeden**") placed a trading halt on its shares in response to a query from the SGX-ST on the substantial increase in its share price in the morning of 20 October 2011. Leeden subsequently announced that certain substantial shareholders were in discussions with an investor in relation to a possible acquisition of shares in Leeden (the "**Leeden Holding Announcement**"). On 8 November 2011, Leeden and Taiyo Nippon Sanso Singapore Pte. Ltd. ("**TNSC**") jointly announced, *inter alia,* a voluntary cash offer by TNSC for the shares of Leeden at an offer price of S$0.57 in cash for each offer share. The market premium in the table above was computed based on an offer price of S$0.57 and the last transacted price of S$0.50 prior to the trading halt for the Leeden Holding Announcement on 20 October 2011.

(4) On 31 October 2011, Profit Sea Holdings Limited ("**Profit Sea**") (an indirect wholly-owned subsidiary of Boer Power Holdings Limited) announced a voluntary conditional cash offer for the shares of SMB United Limited ("**SMB**") at an offer price of S$0.32 in cash for each offer share (the "**Boer Offer Announcement**"). On 28 December 2011, Osaki Electric Co., Ltd. announced a voluntary conditional cash offer (the "**Osaki Offer**") for the shares in SMB at S$0.40 in cash for each offer share (the "**Osaki Offer Announcement**"). The market premium in the above table was computed based on the offer price of S$0.40 and the last transacted price of S$0.30 prior to the Boer Offer Announcement. The offer price of S$0.40 would represent a premium of 9.6% over the last transacted price of S$0.365 prior to the Osaki Offer Announcement.

(5) Being the Offer Price-to-RNAV ratio.

We note that in respect of the Take-over Transactions:

(a) the premium of the Offer Price over the last transacted price of the Shares prior to the Offer Announcement of 66.7% is:

 (i) within the range of corresponding premia of the Take-over Transactions of between 14.0% and 104.3%; and

 (ii) significantly above the corresponding mean and median premia of 44.6% and 33.3% of the Take-over Transactions respectively;

(b) the price-to-NAV ratio as implied by the Offer Price of 0.61 times is:

 (i) at the lower end of the range of price-to-NAV ratios of the Take-over Transactions of between 0.53 times and 2.05 times; and

 (ii) at a significant discount of 48.8% and 39.0% to the mean and median price-to-NAV ratios of the Take-over Transactions of 1.19 times and 1.00 times respectively; and

(c) the price-to-RNAV ratio as implied by the Offer Price of 0.47 times is:

 (i) below the range of price-to-NAV ratios of the Take-over Transactions of between 0.53 times and 2.05 times; and

 (ii) at a significant discount of 60.6% and 53.0% to the mean and median price-to-NAV ratios of the Take-over Transactions of 1.19 times and 1.00 times respectively.

6.5 Other Relevant Considerations

6.5.1 Historical financial performance and condition of the Group

The salient financial information on the Group for FY2010 and FY2011, and for HY2011 and HY2012 is set out below:

Income statement

(S$'000)	Audited FY2010 (restated)	Audited FY2011	Unaudited HY2011	Unaudited HY2012
Revenue	165,660	161,360	88,393	79,591
Gross profit	20,165	17,778	9,902	8,828
Profit before tax from continuing operations	6,275	2,735	2,225	1,928
Profit from continuing operations attributable to Shareholders, net of tax	4,570	2,264	1,615	1,472

Balance sheet

(S$'000)	Audited as at 31 December 2010	Audited as at 31 December 2011	Unaudited 30 June 2012
Current assets	101,175	103,788	95,228
Current liabilities	64,709	58,194	49,496
Working capital	36,466	45,594	45,732
Non-current assets	55,268	55,726	53,122
Non-current liabilities	9,698	15,961	14,432
Equity attributable to Shareholders	81,976	85,326	84,439

Cash flow statement

(S$'000)	Audited FY2010 (restated)	Audited FY2011	Unaudited HY2011	Unaudited HY2012
Net cash flows from/(used in) operating activities	5,412	12,930	4,645	(6,130)
Net cash flows used in investing activities	(12,735)	(7,414)	(1,859)	(1,247)
Net cash flows from/(used in) financing activities	11,366	(3,086)	(3,463)	(2,685)
Net increase/(decrease) in cash and cash equivalents	4,043	2,430	(677)	(10,062)
Cash and cash equivalents at end of financial year/period	14,769	17,199	14,092	7,137

Source: *Annual report of the Company for FY2011 and announcement of the Group's unaudited financial statements for HY2012*

We note the following:

(a) the Group's revenue decreased by 2.6% from S$165.66 million in FY2010 to S$161.36 million in FY2011 due mainly to a 4.9% reduction of sales in the metal container pails and cans business segment, which was partially offset by a 2.0% increase in sales from the flexible packaging business segment. The Group's gross profit decreased by 11.8% from S$20.17 million in FY2010 to S$17.78 million in FY2011 due primarily to a decrease in average selling prices, lower sales volume and additional overhead costs incurred for new plant set-ups in Maharashtra (India), Zhejiang (China) and Tianjin (China). Overall, net profit from continuing operations attributable to Shareholders decreased by 50.5% from S$4.57 million in FY2010 to S$2.26 million in FY2011;

(b) the Group's revenue decreased by 10.0% from S$88.39 million in HY2011 to S$79.59 million in HY2012 due mainly to a slowdown in China's manufacturing sector resulting in lower demand. Revenue for the metal container pails and cans business segment decreased by 10.0% while the flexible packaging business segment remained relatively stable. The Group's gross profit decreased by 10.8% from S$9.90 million in HY2011 to S$8.83 million in HY2012 as a result of the lower sales volume. Overall, net profit attributable to Shareholders decreased by 8.9% from S$1.62 million in HY2011 to S$1.47 million in HY2012;

(c) the Group's working capital increased by 25.0% from S$36.47 million as at 31 December 2010 to S$45.59 million as at 31 December 2011 due mainly to the repayment of short-term bank loans. As at 30 June 2012, the Group's working capital amounted to S$45.73 million;

(d) Shareholders' equity increased by 4.1% from S$81.98 million as at 31 December 2010 to S$85.33 million as at 31 December 2011, and decreased marginally by 1.0% to S$84.44 million as at 30 June 2012;

(e) the Group recorded positive net operating cash flows of S$5.41 million, S$12.93 million and S$4.65 million in FY2010, FY2011 and HY2011 respectively, but recorded a negative net operating cash flow of S$6.13 million in HY2012 due mainly to an increase in trade receivables; and

(f) the Group's cash and cash equivalents increased from S$14.77 million as at 31 December 2010 to S$17.20 million as at 31 December 2011, but decreased to S$7.14 million as at 30 June 2012.

We also note that the following statement on the outlook of the Group was made in its unaudited HY2012 financial results announcement on 10 August 2012:

"*Macro uncertainty continues to persist given the slowdown in China's economy. Business conditions are expected to soften across the various relevant industries. Volatility in raw materials prices and increasing inflationary pressures continue to be a growing concern.*

The Group will continue to be selective in growing along with its long-standing MNC customers in a cautious and prudent manner, rationalise operations, manage headcount to cut cost and conserve cash."

6.5.2 Conditional offer and its implications

As set out in section 2.3 of the Offer Document, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances in respect of at least 90% of the maximum potential number of Offer Shares or where the Minimum Acceptance Condition has been revised to a lower percentage level, the Offeror has received valid acceptances in respect of at least such lower percentage level of the maximum potential number of Offer Shares. For the foregoing purposes, the "maximum potential number of Offer Shares" means the total number of Offer Shares together with Shares which would be in issue had all the Options been validly exercised as at the date of such declaration.

As at the Latest Practicable Date, the Company has 371,256,000 issued Shares and 11,450,000 outstanding Options. Based on the current 90% Minimum Acceptance Condition, the Offer will become unconditional only if the Offeror were to receive valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror holding a minimum of 344,435,400 Shares.

As at the Latest Practicable Date, based on publicly available information, the Offeror and parties acting in concert with it own, control or have agreed to acquire an aggregate of 146,492,266 Shares (representing approximately 39.46% of the Company's issued share capital). **Accordingly, the Offer has not become unconditional as at the Latest Practicable Date.** As at the Latest Practicable Date, in order for the Offer to become unconditional, the Offeror will need to receive at least an additional 197,943,134 Offer Shares representing approximately 53.32% of the Company's issued share capital.

In the event that the Offer does not become unconditional by the Closing Date, the Offer will lapse and Shareholders who have accepted the Offer will have their acceptances returned to them.

On the other hand, in the event that the Offer were to become unconditional in all respects (i.e. the Offeror and parties acting in concert with it would own more than 90% of the voting rights attributable to the Company's issued share capital), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer at a price equal to the Offer Price. As set out in section 6.3 of the Offer Document, the Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. The Offeror, when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take steps for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the total number of issued Shares (excluding any Shares held by the Company as treasury Shares) are held in public hands. In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual. Shareholders are advised to consider the implications and consequences which may arise in the event of a trading suspension and/or delisting of the Shares, as set out in paragraph 6.5.6 of this letter.

6.5.3 Limitation on subsequent offers by the Offeror

Shareholders should note that pursuant to Rule 33.1 of the Code, should the Offer fail to become unconditional by the Closing Date and accordingly lapse, neither the Offeror, any persons who acted in concert with it in the course of the Offer nor any person who is subsequently acting in concert with any of them may (except with the consent of the SIC), within 12 months from the date on which such unsuccessful offer is withdrawn or lapses, announce an offer or possible offer for the Company or acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 14 of the Code to make an offer for the Company.

On the other hand, under Rule 33.2 of the Code, in the event that the Offer becomes unconditional, neither the Offeror nor any person acting in concert with it may (except with the consent of the SIC), within 6 months of the Closing Date, make a second offer to or acquire any Shares from any Shareholder on terms better than those made available under the current Offer.

6.5.4 Previous rights issue undertaken by the Company

The Company had in August 2010 completed a renounceable non-underwritten rights issue of 181,878,000 new Shares, on the basis of one Rights Share for every one existing Share, at an issue price of S$0.055 for each Rights Share. The Rights Issue was 1.76 times subscribed.

6.5.5 Dividend track record of the Company and alternative investments

We note that the Company has been consistent in paying an annual dividend since 1992, including the last 5 years as follows:

Date paid	Net dividend per Share (S$)
18 June 2012	0.0015
13 May 2011	0.0030
13 May 2010	0.0030
9 June 2009	0.0030
9 June 2008	0.0040

Based on the Offer Price of S$0.14 and the latest annual net dividend of S$0.0015 per Share, the dividend yield of the Shares would be 1.07%.

Solely for illustration purposes, the interest/dividend yield for selected alternative investments as at the Latest Practicable Date are set out below:

Alternative investments	Interest/dividend yield (%)
12-month S$ fixed deposit (below S$50,000)	0.25[(1)]
12-month S$ fixed deposit (S$50,000 to S$999,999)	0.25[(1)]
One-year Singapore government treasury bill	0.25[(2)]
STI Exchange Traded Fund ("**STI ETF**")	3.07[(3)]

Notes:

(1) Based on the highest available 12-month S$ fixed deposit rates offered by DBS Bank Ltd, United Overseas Bank Limited and Oversea-Chinese Banking Corporation Limited on the Latest Practicable Date as extracted from their websites.

(2) Being the yield of one-year Singapore government treasury bill on the Latest Practicable Date as extracted from the website of the Monetary Authority of Singapore.

(3) Based on the total distributions of S$0.095 per unit in respect of the latest financial year ended 30 June 2012 and its closing price as at the Latest Practicable Date.

Based on the above, Shareholders who accept the Offer and re-invest the proceeds from the Offer may potentially receive a lower or higher dividend/interest yield, depending on the type of alternative investments selected.

Shareholders should note that (a) the past dividend payouts by the Company should not in any way be relied upon as an indication or a promise of its future dividend payouts; (b) the above analysis on the selected alternative investments serves only as an illustrative guide and is not an indication of any dividend or interest yield of the selected alternative investments; (c) there is no assurance that any of the above selected alternative investments will continue to pay dividends or interests in the future or maintain the level of dividends or interests paid in past periods; and (d) an investment in the selected alternative investments presents different risk-return profiles from an investment in the Shares.

6.5.6 Listing status and compulsory acquisition of the Company

As set out in section 6.1 of the Offer Document, pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of issued Shares (excluding any Shares held by the Company as treasury Shares), the SGX-ST may suspend the listing of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued Shares (excluding any Shares held by the Company as treasury Shares) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding any Shares held by the Company as treasury Shares), thus causing the percentage of the total number of issued Shares (excluding any Shares held by the Company as treasury Shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Under Rule 724(1) of the Listing Manual, if the percentage of the Shares held in public hands falls below 10%, the Company must, as soon as possible, announce that fact and the SGXST may suspend trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares held in public hands to at least 10%, failing which the Company may be delisted.

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held by the Company as treasury Shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares from Shareholders who have not accepted the Offer at a price equal to the Offer Price.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations and their respective nominees, comprise 90% or more of the total number of issued Shares (excluding any Shares held by the Company as treasury Shares), the Shareholders who have not accepted the Offer at a price equal to the Offer Price have a right to require the Offeror to acquire their Shares at the Offer Price. Such Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

As set out in section 6.3 of the Offer Document, the Offeror intends to make the Company its wholly-owned subsidiary and does not intend to preserve the listing status of the Company. **Accordingly, the Offeror when entitled, intends to exercise its rights of compulsory acquisition under Section 215(1) of the Companies Act and does not intend to take steps for any trading suspension of the Shares by the SGX-ST to be lifted in the event that, *inter alia*, less than 10% of the total number of issued Shares (excluding any Shares held by the Company as treasury Shares) are held in public hands.** In addition, the Offeror also reserves the right to seek a voluntary delisting of the Company from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual.

Shareholders should note that there are certain implications and consequences which may arise in the event of a trading suspension and/or delisting of the Shares:

(a) as there will be no ready public market for the Shares, it will be more difficult for Shareholders to sell their Shares;

(b) as the Shares will be less marketable due to the absence of a ready public market, the sale of the Shares may be transacted at a discount to the traded prices of shares of comparable listed companies; and

(c) in the event that the Shares are delisted from the SGX-ST, although the Company will still have to comply with the requirements of the Companies Act by virtue of its incorporation in Singapore, the Company will no longer be obliged to provide, and Shareholders may no longer enjoy, the same level of transparency and accountability as required under the Listing Manual (including the requirement for independent directors).

6.5.7 Absence of alternative take-over offers from third parties

As at the Latest Practicable Date, other than the Offer, there is no publicly available evidence of an alternative take-over offer for the Shares from any third party.

We note that the possibility of an alternative take-over offer does not appear to be high as at the Latest Practicable Date in view that (i) the Offeror and parties acting in concert with it hold the single largest shareholding block with 39.46% of the Company's issued share capital; (ii) SMPI has, pursuant to the Irrevocable Undertaking, undertaken that it shall not, during the period commencing on the date of the Irrevocable Undertaking and ending on the Closing Date, accept any other offer from any party other than the Offeror for all or any of the Offer Shares held by it, whether or not such other offer is at a higher price than the Offer Price for the Offer Shares held by it and/or on more favourable terms than under the Offer; and (iii) there is only one other substantial Shareholder holding 6.52% of the Company's issued share capital.

7. OUR ADVICE

In arriving at our advice in respect of the Offer, we have taken into account, *inter alia*, the following key considerations:

(a) an assessment of the market quotation and trading liquidity of the Shares as follows:

(i) in relation to the Share prices:

(aa) the Offer Price representing a significant premium of 115.4% and 33.3% over the lowest and the highest prices of the Shares respectively during the 24-month period prior to the Holding Announcement;

(bb) the Offer Price representing a significant premium of 62.1%, 85.6%, 87.0%, 83.7% and 74.4% over the VWAP of the Shares for the 24-, 12-, 6-, 3- and one-month period prior to the Holding Announcement respectively;

(cc) the Offer Price representing a premium of 5.5% over the VWAP of the Shares of S$0.1327 for the period after the Holding Announcement and up to the Lapse Announcement;

(dd) the Offer Price representing a significant premium of 51.9% over the VWAP of the Shares of S$0.0922 for the period after the Lapse Announcement and up to the Offer Announcement;

(ee) the Offer Price representing a significant premium of 66.7% over the last transacted price of S$0.084 on 15 August 2012, being the last Market Day on which the Shares were traded prior to the Offer Announcement;

(ff) the Offer Price representing a marginal premium of 3.9% over the VWAP of the Shares of S$0.1348 for the period after the Offer Announcement and up to the Latest Practicable Date; and

(gg) the Offer Price representing a marginal premium of 2.9% over the closing price of the Shares of S$0.136 on the Latest Practicable Date;

(ii) in relation to the trading liquidity of the Shares:

(aa) the Shares having an average daily trading volume of approximately 482,000 Shares during the 24-month period prior to the Holding Announcement;

(bb) the average daily trading volume of the Shares for the 24-, 12-, 6-, 3- and one-month period prior to the Holding Announcement representing only 0.24%, 0.08%, 0.09%, 0.12% and 0.21% of the free float respectively;

(cc) the Shares having an average daily trading volume of approximately 13,503,000 Shares representing 6.84% of the free float during the period after the Holding Announcement and up to the Lapse Announcement;

(dd) the Shares having an average daily trading volume of approximately 3,542,000 Shares representing 1.79% of the free float during the period after the Lapse Announcement and up to the Offer Announcement; and

(ee) the Shares having an average daily trading volume of approximately 2,683,000 Shares representing 1.36% of the free float during the period after the Offer Announcement and up to the Latest Practicable Date;

(iii) in relation to the relative performance of the Shares versus the FSTAS Index:

(aa) the Shares having generally under-performed the FSTAS Index in relative terms during the period commencing 24 months prior to the Holding Announcement and ending on the date of the Offer Announcement, except for intermittent periods in March and April 2011 and more significantly during the period between the Holding Announcement and the Lapse Announcement;

(bb) the Share price having appreciated significantly by 61.9% as compared to a marginal decrease of 1.0% in the FSTAS Index during the period from 15 August 2012 (being the Market Day on which the Shares were last transacted prior to the Offer Announcement) to the Latest Practicable Date; and

(cc) the market price of the Shares as at the Latest Practicable Date appearing to be supported by the Offer and may not be sustained at the current level prevailing as at the Latest Practicable Date after the close of the Offer or if the Offer lapses or is withdrawn;

(b) a comparison with the book NAV, adjusted NAV and RNAV of the Group as follows:

(i) the Offer Price representing a significant discount of 38.7% to the unaudited NAV per Share of S$0.2284 as at 30 June 2012;

(ii) the Offer Price representing a significant discount of 38.5% to the Adjusted NAV per Share of S$0.2278 as at 30 June 2012;

(iii) the Offer Price representing a significant discount of 52.6% to the RNAV per Share of S$0.2955 as at 30 June 2012; and

(iv) there being little value ascribed to the business operations and other assets of the Group, in view that the revalued amount of the Revalued Properties (net of potential tax liabilities) of S$49.53 million represents a significant 95.7% of the Offer value of S$51.75 million;

(c) a comparison with the valuation statistics of the Comparable Companies as follows:

(i) the historical PER of 22.75 times of the Group as implied by the Offer Price being (aa) above the range of historical PERs of the Comparable Companies of between 7.07 times and 18.37 times, and (bb) at a significant premium of 122.4% and 160.9% over the mean and median historical PERs of the Comparable Companies of 10.23 times and 8.72 times respectively;

(ii) the historical price-to-NAV ratio of 0.61 times of the Group as implied by the Offer Price being (aa) within the range of historical price-to-NAV ratios of the Comparable Companies of between 0.32 times and 1.35 times, and (bb) at a discount of 22.6% and 14.1% to the mean and median historical price-to-NAV ratios of the Comparable Companies of 0.79 times and 0.71 times respectively; and

(iii) the historical EV/EBITDA ratio of 7.96 times of the Group as implied by the Offer Price being (aa) within the range of historical EV/EBITDA ratios of the Comparable Companies of between 3.88 times and 9.44 times, and (bb) at a premium of 26.3% and 30.1% over the mean and median historical EV/EBITDA ratios of the Comparable Companies of 6.30 times and 6.12 times respectively;

(d) a comparison with the Take-over Transactions as follows:

(i) the premium of the Offer Price over the last transacted price of the Shares prior to the Offer Announcement of 66.7% being (aa) within the range of corresponding premia of the Take-over Transactions of between 14.0% and 104.3%, and (bb) significantly above the corresponding mean and median premia of 44.6% and 33.3% of the Take-over Transactions respectively;

(ii) the price-to-NAV ratio as implied by the Offer Price of 0.61 times being (aa) at the lower end of the range of price-to-NAV ratios of the Take-over Transactions of between 0.53 times and 2.05 times, and (bb) at a significant discount of 48.8% and 39.0% to the mean and median price-to-NAV ratios of the Take-over Transactions of 1.19 times and 1.00 times respectively; and

(iii) the price-to-RNAV ratio as implied by the Offer Price of 0.47 times being (aa) below the range of price-to-NAV ratios of the Take-over Transactions of between 0.53 times and 2.05 times, and (bb) at a significant discount of 60.6% and 53.0% to the mean and median price-to-NAV ratios of the Take-over Transactions of 1.19 times and 1.00 times respectively; and

(e) other relevant considerations in relation to the Offer as follows:

(i) the historical financial performance and condition of the Group, as set out in paragraph 6.5.1 of this letter;

(ii) the Offer being a conditional offer and its implications, as set out in paragraph 6.5.2 of this letter;

(iii) the limitation on subsequent offers by the Offeror, as set out in paragraph 6.5.3 of this letter;

(iv) the previous rights issue undertaken by the Company, as set out in paragraph 6.5.4 of this letter;

(v) the dividend track record of the Company and a comparison with alternative investments, as set out in paragraph 6.5.5 of this letter;

(vi) the listing status and compulsory acquisition of the Company, including the implications and consequences in the event of a trading suspension and/or delisting of the Shares, as set out in paragraph 6.5.6 of this letter; and

(vii) the absence of alternative take-over offers from third parties, as set out in paragraph 6.5.7 of this letter.

Based on our analysis set out above and after considering all relevant information available to us as at the Latest Practicable Date from a financial point of view, we are of the opinion that the Offer Price, while reasonable in the context of the recent historical market prices of the Shares and the Group's earnings-based valuation, does not appear to be fair from a net asset value perspective, particularly in the context of the Take-over Transactions. Accordingly, we advise the Independent Directors to recommend to Shareholders who are confident of the longer-term prospects of the Group to REJECT the Offer. We would highlight to Shareholders who wish to retain their Shares that (a) the market price and/or trading liquidity of the Shares as at the Latest Practicable Date appear to be supported by the Offer and may not be sustained at the current levels after the close of the Offer or if the Offer lapses or is withdrawn; and (b) there are certain implications and consequences (as set out in paragraph 6.5.6 of this letter) in the event of a trading suspension and/or delisting of the Shares.

Shareholders who nonetheless wish to avail themselves of the opportunity to monetise their investment in the Shares at a significant premium over the recent historical transacted Share prices may wish to ACCEPT the Offer. Such Shareholders should note that as the Offer has yet to become unconditional as at the Latest Practicable Date, they will be assured of receiving the Offer Price <u>only if</u> the Offer were to become unconditional by the close of the Offer. In the event that the Offer does not become unconditional by the close of the Offer, the Offer will lapse and Shareholders who have accepted the Offer will have their acceptances returned to them and continue to hold their Shares. Accordingly, such Shareholders may wish to consider SELLING their Shares on the open market (with the related trading costs) if they desire the certainty of divesting their Shares.

The Independent Directors should note that we have arrived at our advice based on the information made available to us as at the Latest Practicable Date. Our advice on the Offer cannot and does not take into account the future trading activity or patterns or price levels that may be established for the Shares as these are governed by factors beyond the scope of our review and do not fall within our terms of reference in connection with our evaluation of the financial terms of the Offer.

We have prepared this letter for the use of the Independent Directors in connection with and for the purposes of their consideration of the Offer, and any recommendation made by the Independent Directors in respect of the Offer shall remain their responsibility.

Whilst a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any purpose (other than the intended purpose in relation to the Offer) at any time and in any manner without the prior written consent of SAC Capital in each specific case.

This letter is governed by and shall be construed in accordance with the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
SAC CAPITAL PRIVATE LIMITED

Huong Wei Beng
Partner

Bernard Lim Aik Kwang
Partner

Annex

Company (Country of Listing)	Business description (as extracted from Bloomberg)	Share price as at Latest Practicable Date	Market capitalisation (million)	--------- Latest full financial year --------- Financial year-end	Revenue (million)	Net profit/(loss) after tax attributable to shareholders (million)
China Food Packaging Incorporation Limited (Korea)	China Food Packaging Inc Ltd. is a pure holding company. The company owns Hebei Jiamei Plate-printing and Can-making Co., Ltd. in China as subsidiary. The subsidiary company's product includes manufacture 3-piece and 2-piece metal cans for food packaging.	KRW2,280	KRW45,600.0	31 March	RMB1,047.5	RMB34.6
Daeryuk Can Co., Ltd. (Korea)	Daeryuk Can Co., Ltd. manufactures and markets metal can, such as fuel can, oil can, and other general use can. The company also produces spray-aerosol tubing and anti-explosive butane gas tubing.	KRW5,000	KRW79,516.0	31 December	KRW176,869.3	KRW4,317.2
Hindustan Tin Works Limited (India)	Hindustan Tin Works Limited produces tin cans for dairy, edible oils, tea, coffee, motor oils, medicines, pesticides, chemical and paint industries.	INR51.20	INR532.5	31 March	INR2,466.5	INR56.6
Kingcan Holdings Limited (Taiwan)	Kingcan Holdings Limited manufactures and distributes metal cans.	NT$49.40	NT$3,768.0	31 December	NT$5,310.8	NT$347.3
Nihon Seikan K.K. (Japan)	Nihon Seikan K.K. is a can maker primarily producing 18-liter cans for industrial paints and petroleum. The company also manufactures plastic bottles and aluminum cans.	JPY59.00	JPY684.4	31 March	JPY7,293.1	JPY(653.3)
Seung II Corporation (Korea)	Seung II Corp. manufactures a variety of aerosol cans including neck-out cans, neck-in cans, and aluminum cans. The company also produces aerosol and fuel valves, aerosol tops and bottoms, and aerosol actuator buttons. Seung II provides its products to domestic companies as well as overseas markets.	KRW5,520	KRW33,849.3	31 December	KRW136,753.6	KRW4,609.6

Source *Bloomberg L.P., annual reports and/or announcements of the respective companies*

APPENDIX 2

GENERAL INFORMATION

1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Description
Professor Tan Chin Tiong	52 Kingsmead Road Singapore 267996	Non-Executive Chairman and Independent Director
Mr Wang Gee Hock	Blk 254 #05-702 Compassvale Road Singapore 540254	Executive Director and Chief Executive Officer
Mr Goh Chuen Jin	c/o 10 Hoe Chiang Road, #19-01 Keppel Towers Singapore 089315	Non-Executive Director
Mr Tay Puan Siong	3 Holland Grove Avenue Singapore 278921	Independent Director
Ms Evelyn Tan Ang Ang	144 Upper Bukit Timah Road #10-01 Singapore 588177	Independent Director
Mr Lee Jer Ren	50 West Coast Road #03-56 Singapore 127363	Alternate Director to Mr Goh Chuen Jin

2. HISTORY

The Company was incorporated in Singapore on 28 July 1979. It was listed on the Sesdaq of SGX-ST on 4 September 1990 and transferred to the Main Board of the SGX-ST on 11 August 1993.

3. PRINCIPAL ACTIVITIES

The principal activities of the Company consist of the manufacture and sale of metal containers and flexible packaging materials.

4. SHARE CAPITAL

4.1 Issued Capital

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S$55,809,141.00 comprising 371,256,000 Shares. The Shares are ordinary shares carrying equal ranking rights to dividends, voting at general meetings and return of capital. The Company does not hold any treasury shares and does not have any other class of share capital as at the Latest Practicable Date.

An aggregate 1,600,000 Shares were issued by the Company on 3 September 2012 pursuant to the exercise of Options. Save as disclosed, the Company has not issued any Shares since the end of FY2011.

There is no restriction in the Memorandum and Articles of Association of the Company on the right to transfer any Shares, which has the effect of requiring the holders of Offer Shares, before transferring them, to offer them for purchase to other members of the Company or to any other person.

4.2 Rights in respect of Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Articles of Association of the Company. For ease of reference, selected texts of the Articles of Association of the Company relating to the same have been extracted and reproduced in Appendix 6 to this Circular.

5. COMPANY CONVERTIBLE SECURITIES

As at the Latest Practicable Date, the Company has outstanding Options for an aggregate 11,450,000 new Shares. These Options were granted on 4 September 2007. The exercise price of these Options is S$0.063 per Share. The exercise period for these Options is 4 September 2009 to 3 September 2017 subject to the rules of the Option Scheme.

6. DISCLOSURE OF INTERESTS

6.1 Interests of the Company in Offeror Shares and Offeror Convertible Securities

As at the Latest Practicable Date, neither the Company nor its subsidiaries have any direct or indirect interests in Offeror Shares or Offeror Convertible Securities.

6.2 Dealings in Offeror Shares and Offeror Convertible Securities by the Company

Neither the Company nor its subsidiaries have dealt in Offeror Shares or Offeror Convertible Securities during the period commencing six months prior to 15 August 2012, being the Offer Announcement Date, and ending on the Latest Practicable Date.

6.3 Interests of the Directors in Offeror Shares and Offeror Convertible Securities

Save as disclosed in Section 3 of this Circular, none of the Directors have any direct or indirect interests in Offeror Shares or Offeror Convertible Securities as at the Latest Practicable Date.

6.4 Dealings in Offeror Shares and Offeror Convertible Securities by the Directors

Save as disclosed in Section 3 of this Circular, none of the Directors have dealt in Offeror Shares or Offeror Convertible Securities during the period commencing six months prior to 15 August 2012, being the Offer Announcement Date, and ending on the Latest Practicable Date.

6.5 Interests of the Directors in Shares and Company Convertible Securities

Save as disclosed below, as at the Latest Practicable Date, none of the Directors have an interest, direct or indirect, in Shares or Company Convertible Securities.

Directors	Number of Shares						Number of Shares comprised in outstanding Options
	Direct Interest	%[1]	Deemed Interest	%[1]	Total	%[1]	
Tan Chin Tiong	1,015,000	0.27	225,000	0.06	1,240,000	0.33	–
Wang Gee Hock	1,000,000	0.27	–	–	1,000,000	0.27	2,000,000[2]
Tay Puan Siong	800,000	0.22	–	–	800,000	0.22	–

Notes:

(1) Based on 371,256,000 issued Shares as at the Latest Practicable Date.

(2) The outstanding Options were granted on 4 September 2007. The exercise price of these Options is S$0.063 per Share. The exercise period for these Options is 4 September 2009 to 3 September 2017 subject to the rules of the Option Scheme.

6.6 Dealings in Shares and Company Convertible Securities by the Directors

On 3 September 2012, the following Directors exercised all their outstanding Options:

Directors	No. of Shares issued pursuant to the exercise of Options(1)
Professor Tan Chin Tiong	800,000
Mr Tay Puan Siong	800,000

Note:

(1) The Options were granted on 4 September 2007. The exercise price of these Options was S$0.0813 per Share. The exercise period for these Options was 4 September 2009 to 3 September 2012 subject to the rules of the Option Scheme.

Save as disclosed above, none of the Directors have dealt in Shares or Company Convertible Securities during the period commencing six months prior to 15 August 2012, being the Offer Announcement Date, and ending on the Latest Practicable Date.

6.7 Interests of the IFA in Shares and Company Convertible Securities

As at the Latest Practicable Date, neither SAC Capital Private Limited nor funds whose investments are managed by SAC Capital Private Limited on a discretionary basis, own or control any Shares or Company Convertible Securities.

6.8 Dealings in Shares and Company Convertible Securities by the IFA

Neither SAC Capital Private Limited nor funds whose investments are managed by SAC Capital Private Limited on a discretionary basis, have dealt for value in Shares or Company Convertible Securities during the period commencing six months prior to 15 August 2012, being the Offer Announcement Date, and ending on the Latest Practicable Date.

6.9 Directors not accepting the Offer

Professor Tan Chin Tiong, Mr Wang Gee Hock and Mr Tay Puan Siong have informed the Company that they do not intend to accept the Offer in respect of their shareholdings in the Company.

7. OTHER DISCLOSURES

7.1 Directors' Service Contracts

As at the Latest Practicable Date, there are no service contracts between any Director or proposed director and the Company or any of its subsidiaries with more than 12 months to run and which cannot be terminated by the employing company within the next 12 months without paying any compensation.

In addition, there are no such service contracts entered into or amended between any Director or proposed director and the Company or any of its subsidiaries during the period between the start of six months preceding 15 August 2012, being the Offer Announcement Date, and the Latest Practicable Date.

7.2 No Payment or Benefit to Directors

Save as disclosed in Section 3 of this Circular, as at the Latest Practicable Date, it is not proposed, in connection with the Offer, that any payment or other benefit be made or given to any Director or to any director of any other corporation which is, by virtue of Section 6 of the Companies Act, deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Offer.

7.3 No Agreement Conditional upon Outcome of the Offer

Save as disclosed in Section 3 of this Circular, as at the Latest Practicable Date, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer.

7.4 Material Contracts entered into by the Offeror

Save as disclosed in Section 3 of this Circular, as at the Latest Practicable Date, there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.

8. FINANCIAL INFORMATION ON THE GROUP

Set out below is certain financial information extracted from the annual reports of the Company for FY2009, FY2010 and FY2011 and from the unaudited consolidated financial statements of the Group for HY2012. The audited consolidated financial statements of the Group for FY2011 and the unaudited consolidated financial statements of the Group for HY2012 are set out in Appendices 4 and 5 to this Circular respectively.

CONSOLIDATED STATEMENT OF INCOME

	Audited	Audited	Audited	Unaudited
	FY2009 S$'000	**FY2010 S$'000**	**FY2011 S$'000**	**HY2012 S$'000**
Revenue	147,242	165,660	161,360	79,591
Cost of sales	(131,632)	(145,495)	(143,582)	(70,763)
Gross profit	15,610	20,165	17,778	8,828
Interest income	47	68	81	29
Other credits	3,875	3,727	4,032	2,146
Distribution costs	(3,901)	(5,574)	(5,341)	(2,728)
Administrative expenses	(9,508)	(9,634)	(10,604)	(4,998)
Finance costs	(1,222)	(1,263)	(1,780)	(955)
Other charges	(1,820)	(1,214)	(1,431)	(394)
Profit before tax from continuing operations	3,081	6,275	2,735	1,928
Income tax expense	(758)	(1,713)	(514)	(470)
Profit from continuing operations, net of tax	2,323	4,562	2,221	1,458
Profit/(loss) from discontinued operations, net of tax	–	464	(436)	–
Profit, net of tax	2,323	5,026	1,785	1,458
Profit/(loss) attributable to:- **Owners of the Parent**				
– Continuing operations, net of tax	2,328	4,570	2,264	1,472
– Discontinued operations, net of tax	–	447	(452)	–
Profit for the year/period attributable to owners of the parent	2,328	5,017	1,812	1,472
Non-controlling interest:-				
– Continuing operations, net of tax	(5)	(8)	(43)	(14)
– Discontinued operations, net of tax	–	17	16	–
Profit/(loss) for the year/period attributable to non–controlling interest	(5)	9	(27)	(14)
Profit, net of tax	2,323	5,026	1,785	1,458

EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT

	Audited	Audited	Audited	Unaudited
	FY2009 Cents	**FY2010 Cents**	**FY2011 Cents**	**HY2012 Cents**
Continuing operations				
– Basic	0.93	1.59	0.62	0.40
– Dilutive	0.93	1.57	0.61	0.40
Discontinued operations				
– Basic	N.A.	0.16	(0.12)	N.A.
– Dilutive	N.A.	0.15	(0.12)	N.A.
Total				
– Basic	0.93	1.75	0.50	0.40
– Dilutive	0.93	1.72	0.49	0.40

N.A. – Not Applicable

Earnings/(loss) per Share is calculated based on weighted average number of Shares (FY2009: 249,355,000; FY2010: 287,488,000; FY2011: 367,876,000 and HY2012: 369,656,000)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Audited	Audited	Audited	Unaudited
	FY2009 S$'000	**FY2010 S$'000**	**FY2011 S$'000**	**HY2012 S$'000**
Profit, net of tax	2,323	5,026	1,785	1,458
Exchange differences of translating foreign operations	(4,004)	(1,351)	2,256	(1,924)
Total comprehensive income/(loss) for the year/period, net of tax	(1,681)	3,675	4,041	(466)
Total comprehensive income/(loss) attributable to:				
– Owners of parent, net of tax	(1,672)	3,666	4,068	(452)
– Non-controlling interest, net of tax	(9)	9	(27)	(14)
Total comprehensive income/(loss) for the year/period, net of tax	(1,681)	3,675	4,041	(466)

Set out below is also a summary of the dividend per Share declared or recommended in respect of each of FY2009, FY2010, FY2011 and HY2012 by the Company. This information was extracted from the annual reports of the Company for FY2009, FY2010 and FY2011 and from the unaudited consolidated financial statements of the Group for HY2012.

	Net dividend per Share (cents)
In respect of FY2009	0.30
In respect of FY2010	0.30
In respect of FY2011	0.15
In respect of HY2012	–

A statement of the assets and liabilities of the Group as at FY2011 and HY2012 are set out in the audited consolidated financial statements of the Group for FY2011 and the unaudited consolidated financial statements of the Group for HY2012 which are enclosed in Appendices 4 and 5 to this Circular respectively.

9. MATERIAL CHANGES IN FINANCIAL POSITION

Save as disclosed in the unaudited consolidated financial statements of the Group for HY2012 as announced on 10 August 2012 and any other information on the Group which is publicly available (including without limitation, announcements released by the Group on the SGX-ST), there have been no material changes to the financial position of the Company since 31 December 2011, being the date of the last audited accounts of the Company laid before the Shareholders in general meeting.

10. SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies of the Group are disclosed in Note 2 of the audited consolidated financial statements of the Group for FY2011 which are reproduced in Appendix 4 to this Circular.

11. CHANGES IN ACCOUNTING POLICIES

There is no change in the accounting policy of the Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

12. MATERIAL CONTRACTS

The Company obtained a written irrevocable undertaking dated 14 May 2010 from SMPI to, *inter alia,* subscribe in full for its *pro rata* entitlement to new Shares to be allotted and issued by the Company pursuant to a renounceable non-underwritten rights issue of Shares by the Company.

Save as disclosed above, as at the Latest Practicable Date, neither the Company nor any of its subsidiaries have entered into any material contracts with interested persons (other than those entered into in the ordinary course of business) during the period commencing three years before 15 August 2012, being the Offer Announcement Date, and ending on the Latest Practicable Date.

13. MATERIAL LITIGATION

Neither the Company nor any of its subsidiaries are engaged in any material litigation as plaintiff or defendant which might materially and adversely affect the financial position of the Group as a whole. The Directors are not aware of any proceedings, pending or threatened, against the Company or any of its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position of the Group taken as a whole.

14. GENERAL

14.1 Costs and Expenses

All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

14.2 Consent of IFA

SAC Capital Private Limited has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the IFA Letter (which is appended in Appendix 1 to this Circular) and all references to it and its name in the form and context in which they appear in this Circular.

14.3 Consent of Valuer

Cushman & Wakefield VHS Pte Ltd has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and its valuation summary (which is appended in Appendix 7 to this Circular) and all references to it and its name in the form and context in which they appear in this Circular.

14.4 Consent of Auditors

RSM Chio Lim LLP has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the independent auditors' report relating to the audited consolidated financial statements of the Group for FY2011 (which is appended in Appendix 4 to this Circular) and all references to it and its name in the form and context in which they appear in this Circular.

14.5 Consent of Share Registrar

M & C Services Private Limited has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references to its name in the form and context in which they appear in this Circular.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 80 Robinson Road, #18-03, Singapore 068898, during normal business hours for the period which the Offer remains open for acceptance:

(a) the Memorandum and Articles of Association of the Company;

(b) the annual reports of the Company for FY2009, FY2010 and FY2011;

(c) the unaudited consolidated financial statements of the Group for HY2012;

(d) the IFA Letter;

(e) the valuation summary and the full valuation reports in respect of the properties owned by the Group; and

(f) the letters of consent referred to in paragraph 14 of this Appendix 2.

APPENDIX 3

ADDITIONAL INFORMATION ON THE OFFEROR

THE OFFEROR

The following information on the Offeror has been extracted from Appendix I to the Offer Document and is reproduced in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"***APPENDIX I – ADDITIONAL INFORMATION ON THE OFFEROR***

1. DIRECTORS OF THE OFFEROR

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are as follows:

Name	***Address***	***Description***
Mr. Jozef Salaerts	*6 Bukit Mugliston, Singapore 799862*	*Director*
Mr. Goh Hock Huat	*183 West Coast Park Singapore 127709*	*Director*
Mr. Lee Chin Siong Patrick	*c/o 10 Hoe Chiang Road, #19-01 Keppel Towers Singapore 089315*	*Director*
Mr. Goh Chuen Jin	*c/o 10 Hoe Chiang Road, #19-01 Keppel Towers Singapore 089315*	*Director*
Mr. Lee Jer Ren	*50 West Coast Road, #03-56, Varsity Park Condominium Singapore 127363*	*Director*
Mr. Gan Siong Teck	*27 Jalan Unggas Singapore 298927*	*Alternate Director to Mr. Goh Chuen Jin*

2. REGISTERED OFFICE OF THE OFFEROR

The registered office of the Offeror is at 10 Hoe Chiang Road, #19-01 Keppel Towers, Singapore 089315.

3. PRINCIPAL ACTIVITIES OF THE OFFEROR

The principal activity of the Offeror is that of an investment holding company.

4. SUMMARY OF FINANCIAL INFORMATION

As the Offeror was only recently incorporated on 2 July 2012, no audited financial statements of the Offeror have been prepared since the date of its incorporation.

As no audited financial statements of the Offeror have been prepared to date, there are no significant accounting policies to be noted.

*5. **MATERIAL CHANGES IN FINANCIAL POSITION***

As at the Latest Practicable Date, save for making and financing the Offer, there has been no known material change in the financial position of the Offeror since the date of its incorporation."

HOLDINGS AND DEALINGS IN THE SHARES

The following information on the holdings of, and dealings in, the Shares by the Offeror, the Offeror's directors and the parties acting in concert with the Offeror is extracted from Appendix IV to the Offer Document and is reproduced in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

*"1. **DISCLOSURE OF INTERESTS***

*(a) As at the Latest Practicable Date, save as disclosed below, none of the Offeror, its Directors, or any of the parties acting or deemed to be acting in concert with the Offeror owns, controls or has agreed to acquire any (i) securities which are being offered for (i.e. the Shares) or which carry voting rights; and (ii) Convertible Securities, Warrants, Options and Derivatives (collectively, the "**Company Securities**"):*

Name	*No. of Shares*			
	Direct Interest		*Deemed Interest*	
	No. of Shares	*%(1)*	*No. of Shares*	*%(1)*
SMPI	*146,492,266*	*39.63*	–	–
Pianissimo(2)	–	–	*146,492,266*	*39.63*

***Notes**:*

(1) Based on 369,656,000 Shares as at the Latest Practicable Date.

(2) Pianissimo is deemed interested, by virtue of Section 7 of the Companies Act, in 146,492,266 Shares held by its wholly owned subsidiary, SMPI.

(b) None of the Offeror, its Directors, or any of the parties acting or deemed to be acting in concert with the Offeror has dealt for value in the Company Securities during the period commencing three (3) months prior to 15 August 2012 (being the Offer Announcement Date) and ending on the Latest Practicable Date.

(c) As at the Latest Practicable Date, save for the Irrevocable Undertaking, no person has given any irrevocable undertaking to the Offeror or any party acting in concert with it, to accept or reject the Offer.

(d) As at the Latest Practicable Date, save for the Arrangements, neither the Offeror nor any party acting in concert with it has entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements and any agreement or understanding, formal or informal, of whatever nature, relating to the Shares which may be an inducement to deal or refrain from dealing in the Shares.

(e) As at the Latest Practicable Date, save for the Arrangements, there is no agreement, arrangement or understanding between (i) the Offeror, or any party acting in concert with it and (ii) any of the present or recent directors of the Company, or the present or recent Shareholders or any other person that is conditional upon, or has any connection with or dependence upon, the Offer.

(f) As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any of the Offer Shares acquired by the Offeror pursuant to the Offer will or may be transferred to any other person.

(g) As at the Latest Practicable Date, there is no agreement, arrangement or understanding for payment or other benefit being made or given to any director of the Company or to any director of any corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or as consideration for, or in connection with, his retirement from office or otherwise in connection with the Offer.

(h) Save as disclosed in this Offer Document and save for information relating to the Offeror and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

(i) As at the Latest Practicable Date, none of the Offeror or any party acting in concert with it has (i) granted a security interest over any Company Securities to another person, whether through a charge, pledge or otherwise, (ii) borrowed from another person any Company Securities (excluding borrowed Company Securities which have been on-lent or sold), or (iii) lent any Company Securities to another person.

(j) Save as disclosed in this Offer Document, no agreement, arrangement exists between the Offeror and any directors of the Company or any other person in connection with or conditional upon the outcome of the Offer or otherwise connected with the Offer."

APPENDIX 4

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2011

The audited consolidated financial statements of the Group for FY2011 set out on pages 63 to 118 of this Circular have been reproduced from the annual report of the Company for FY2011.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SUPERIOR MULTI-PACKAGING LIMITED

(REGISTRATION NO: 197902249R)

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Superior Multi-Packaging Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2011, and the consolidated statements of income and comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statements of income and comprehensive income and statements of financial position and to maintain accountability of assets.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2011 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP
Public Accountants and
Certified Public Accountants
Singapore

26 March 2012

Partner in charge of audit: Lim Lee Meng
Effective from year ended 31 December 2010

CONSOLIDATED STATEMENT OF INCOME

Year ended 31 December 2011

	Notes	Group 2011 $'000	(Restated) 2010 $'000
Revenue	5	161,360	165,660
Cost of sales		(143,582)	(145,495)
Gross profit		17,778	20,165
Other items of income			
Interest income	6	81	68
Other credits	7	4,032	3,727
Other items of expense			
Distribution costs		(5,341)	(5,574)
Administrative expenses		(10,604)	(9,634)
Finance costs	8	(1,780)	(1,263)
Other charges	7	(1,431)	(1,214)
Profit before tax from continuing operations		2,735	6,275
Income tax expense	11	(514)	(1,713)
Profit from continuing operations, net of tax		2,221	4,562
(Loss)/profit from discontinued operations, net of tax	17	(436)	464
Profit, net of tax		1,785	5,026
Profit attributable to:			
Owners of the Parent			
- Profit from continuing operations, net of tax		2,264	4,570
- (Loss)/profit from discontinued operations, net of tax		(452)	447
Profit for the year attributable to owners of the parent		1,812	5,017
Non-controlling interest			
- Loss from continuing operations, net of tax		(43)	(8)
- Profit from discontinued operations, net of tax		16	17
(Loss)/profit for the year attributable to non-controlling interest		(27)	9
Profit, net of tax		1,785	5,026
Earnings per share attributable to owners of the parent		**Cents**	**Cents**
Continuing operations			
Basic	13	0.62	1.59
Diluted	13	0.61	1.57
Discontinued operations			
Basic	13	(0.12)	0.16
Diluted	13	(0.12)	0.15
Total			
Basic	13	0.50	1.75
Diluted	13	0.49	1.72

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2011

	Group	
		(Restated)
	2011	2010
	$'000	$'000
Profit, net of tax	1,785	5,026
Other comprehensive income/(loss) for the year, net of tax		
Exchange differences on translating foreign operations	2,256	(1,351)
Total comprehensive income for the year, net of tax	4,041	3,675
Total comprehensive income attributable to:		
Owners of parent, net of tax	4,068	3,666
Non-controlling interests, net of tax	(27)	9
Total comprehensive income for the year, net of tax	4,041	3,675

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2011

	Notes	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	53,311	52,832	15,239	15,930
Investments in subsidiaries	15	–	–	50,797	49,246
Intangible assets	16	2,340	2,361	–	–
Deferred tax assets	11	75	75	–	–
Total non-current assets		55,726	55,268	66,036	65,176
Current assets					
Assets of Disposal Group classified as held for sale	17	3,694	–	117	–
Inventories	18	38,384	40,493	16,256	19,580
Trade and other receivables	19	38,418	38,721	25,302	23,500
Other financial assets	20	–	10	–	–
Other assets	21	6,441	7,182	297	318
Cash and cash equivalents	22	16,851	14,769	7,589	6,182
Total current assets		103,788	101,175	49,561	49,580
Total assets		159,514	156,443	115,597	114,756
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	23	55,619	55,021	55,619	55,021
Retained earnings		24,415	24,032	19,273	19,003
Other reserves	25	5,411	2,923	495	749
Reserve of Disposal Group classified as held for sale	17	(119)	–	–	–
Equity attributable to owners of the parent, total		85,326	81,976	75,387	74,773
Non-controlling interests		33	60	–	–
Total equity		85,359	82,036	75,387	74,773
Non-current liabilities					
Deferred tax liabilities	11	1,268	1,708	1,236	1,676
Finance leases	28	6	82	6	82
Other financial liabilities	27	14,687	7,908	14,687	7,908
Total non-current liabilities		15,961	9,698	15,929	9,666
Current liabilities					
Liabilities of Disposal Group classified as held for sale	17	3,912	–	–	–
Provision	26	702	1,171	–	–
Income tax payable		125	376	50	50
Trade and other payables	29	30,403	30,594	15,042	14,839
Finance leases	28	75	75	75	75
Other financial liabilities	27	22,977	32,493	9,114	15,353
Total current liabilities		58,194	64,709	24,281	30,317
Total liabilities		74,155	74,407	40,210	39,983
Total equity and liabilities		159,514	156,443	115,597	114,756

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2011

Group	Share capital $'000	Statutory reserve $'000	Share option reserve $'000	Foreign currency translation reserve $'000	Reserve of Disposal Group held for sale $'000	Retained earnings $'000	Attributable to parent sub-total $'000	Non-controlling interests $'000	Total equity $'000
2011									
Opening balance at 1 January 2011	55,021	3,821	749	(1,647)	–	24,032	81,976	60	82,036
Movements in equity:									
Dividends paid (note 12)	–	–	–	–	–	(1,104)	(1,104)	–	(1,104)
Proceeds from exercise of share options (note 23)	386	–	–	–	–	–	386	–	386
Exercise of share options (note 24)	212	–	(212)	–	–	–	–	–	–
Total comprehensive income for the year	–	–	–	2,256	–	1,812	4,068	(27)	4,041
Transfer from share option reserve to retained earnings (note 24)	–	–	(42)	–	–	42	–	–	–
Transfer from retained earnings to statutory reserve	–	367	–	–	–	(367)	–	–	–
Transfer to Disposal Group classified as held for sale (note 17)	–	–	–	119	(119)	–	–	–	–
Closing balance at 31 December 2011	55,619	4,188	495	728	(119)	24,415	85,326	33	85,359
2010									
Opening balance at 1 January 2010	45,289	3,477	807	(296)	–	19,847	69,124	51	69,175
Movements in equity:									
Dividends paid (note 12)	–	–	–	–	–	(546)	(546)	–	(546)
Issuance of Rights Shares (note 23)	10,003	–	–	–	–	–	10,003	–	10,003
Rights issue expenses (note 23)	(271)	–	–	–	–	–	(271)	–	(271)
Total comprehensive (loss)/income for the year	–	–	–	(1,351)	–	5,017	3,666	9	3,675
Transfer from share option reserve to retained earnings (note 24)	–	–	(58)	–	–	58	–	–	–
Transfer from retained earnings to statutory reserve	–	344	–	–	–	(344)	–	–	–
Closing balance at 31 December 2010	55,021	3,821	749	(1,647)	–	24,032	81,976	60	82,036

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2011

Company	Share capital $'000	Share option reserve $'000	Retained earnings $'000	Total equity $'000
2011				
Opening balance at 1 January 2011	55,021	749	19,003	74,773
Movements in equity:				
Dividends paid (note 12)	–	–	(1,104)	(1,104)
Proceeds from exercise of share options (note 23)	386	–	–	386
Exercise of share options (note 24)	212	(212)	–	–
Transfer from share option reserve to retained earnings (note 24)	–	(42)	42	–
Total comprehensive income for the year	–	–	1,332	1,332
Closing balance at 31 December 2011	55,619	495	19,273	75,387
2010				
Opening balance at 1 January 2010	45,289	807	21,761	67,857
Movements in equity:				
Dividends paid (note 12)	–	–	(546)	(546)
Issuance of Rights Shares (note 23)	10,003	–	–	10,003
Rights issue expenses (note 23)	(271)	–	–	(271)
Transfer from share option reserve to retained earnings (note 24)	–	(58)	58	–
Total comprehensive loss for the year	–	–	(2,270)	(2,270)
Closing balance at 31 December 2010	55,021	749	19,003	74,773

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2011

	2011 $'000	2010 $'000
Cash flows from operating activities		
Profit before tax from continuing operations	2,735	6,275
(Loss)/profit before tax from discontinued operations	(436)	464
Profit before tax	2,299	6,739
Adjustments for:		
Depreciation of property, plant and equipment	5,702	4,972
Amortisation of other intangible assets	21	–
Reversal of provision	(469)	–
Interest income	(81)	(68)
Interest expense	1,857	1,567
Loss on disposal of property, plant and equipment	88	465
Re-measurement loss recognised on Disposal Group classified as held for sale (note 17)	877	–
Net effect of exchange rate changes in consolidating foreign operations	992	(737)
Operating cash flows before changes in working capital	11,286	12,938
Trade and other receivables	1,186	(7,022)
Other assets	737	4,124
Inventories	802	(6,471)
Trade and other payables	143	3,402
Net cash flows from operations before interest and tax	14,154	6,971
Income taxes paid	(1,224)	(1,559)
Net cash flows from operating activities	12,930	5,412
Cash flows from investing activities		
Disposal of property, plant and equipment	388	246
Purchase of property, plant and equipment (note 22B)	(7,883)	(11,565)
Net cash outflow on acquisition of a subsidiary (note 30)	–	(1,484)
Interest received	81	68
Net cash flows used in investing activities	(7,414)	(12,735)
Cash flows from financing activities		
Dividends paid to equity owners	(1,104)	(546)
Repayment of bank borrowings	(14,561)	(7,397)
Increase in new borrowings	14,126	11,294
Finance lease repayment	(76)	(69)
Net proceeds from share option exercise	386	–
Net proceeds from rights issue	–	9,732
Interest paid	(1,857)	(1,648)
Net cash flows (used in)/ from financing activities	(3,086)	11,366
Net increase in cash and cash equivalents	2,430	4,043
Cash and cash equivalents, statement of cash flows, beginning balance	14,769	10,726
Cash and cash equivalents, statement of cash flows, ending balance (note 22A)	17,199	14,769

The accompanying notes form an integral part of these financial statements.

1. GENERAL

The Company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore Dollars and they cover the Company (referred to as "parent") and the subsidiaries.

The Board of Directors approved and authorised these financial statements for issue on 26 March 2012.

The principal activities of the Company consist of the manufacture and sale of metal containers and flexible packaging materials. It is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the subsidiaries consist of the manufacture and sale of metal containers, plastic pails and flexible packaging materials and the manufacture, fabrication and sale of stainless steel products, as disclosed in note 15 to the financial statements.

The registered office is 80 Robinson Road #18-03, Singapore 068898.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

Basis of Presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its directly and indirectly controlled subsidiaries. Consolidated financial statements are the financial statements of the Group presented as those of a single economic entity. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including profit or loss and other comprehensive income items and dividends are eliminated on consolidation. The results of any subsidiaries acquired or disposed of during the reporting year are accounted for from the respective dates of acquisition or up to the dates of disposal which effective control is obtained of the acquired business until that control ceases.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when the control is lost and is subsequently accounted as available-for-sale financial assets in accordance with FRS39.

The Company's financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, no statements of income and comprehensive income is presented for the Company.

Basis of Preparation of the Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes, estimated returns and rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of services that are of short duration is recognised when the services are completed. Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term. Interest is recognised using the effective interest method. Revenue from construction contracts is recognised in accordance with the accounting policy on construction contracts (see below).

Construction Contracts – Revenues and Results

When the outcome of a construction contract can be estimated reliably, the contract revenue and contract costs associated with the contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting year using the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs method except where this would not be representative of the stage of completion. Contract costs consist of costs that relate directly to the specific project, costs that are attributable to contract activity in general and can be allocated to the project and such other costs as are specifically chargeable to the customer under the terms of the contract. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer. The stage of completion method relies on estimates of total expected contract revenue and costs, as well as dependable measurement of the progress made towards completing a particular project. Recognised revenues and profits are subject to revisions during the project in the event that the assumptions regarding the overall project outcome are revised. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The work in progress projects have operating cycles longer than one year. The management includes in current assets amounts relating to the contracts realisable over a period in excess of one year.

Employee Benefits

Certain subsidiaries operate a defined contribution provident fund scheme, in which employees are entitled to join upon fulfilling certain conditions. The assets of the fund are held separately from those of the entity in an independently administered fund. The entity contributes an amount equal to a fixed percentage of the salary of each participating employee. Contributions are charged to profit or loss in the period to which they relate. This plan is in addition to the contributions to government managed retirement benefit plans such as the Central Provident Fund in Singapore which specifies the employer's obligations which are dealt with as defined contribution retirement benefit plans. For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Pursuant to the relevant regulations of the People's Republic of China ("PRC") government, the subsidiaries in the PRC have participated in a local municipal government retirement benefits scheme, whereby the subsidiaries in the PRC are required to contribute to a certain percentage to the basic salaries of its employees to this scheme to fund their retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the Group.

Pursuant to the relevant regulations of India, gratuity shall be paid to an employee on the termination of his employment after the employees have rendered continuous service of not less than 5 years. As the subsidiary in India is incorporated in 2010, no provision for gratuity is required.

Share-Based Compensation

For the equity-settled share-based compensation transactions, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed on a straight-line basis over the vesting period is determined by reference to the fair value of the options granted excluding the effect of non-market conditions such as profitability and sales growth targets. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Share-Based Compensation (cont'd)

Fair value is measured using an option pricing model. The expected lives used in the model are adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. At each end of the reporting year, a revision is made on the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Income Tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss, the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised.

A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the reporting entity is able to control the timing of the reversal of the taxable temporary differences and it is probable that the taxable temporary differences will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Foreign Currency Transactions

The functional currency is the Singapore Dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Translation of Financial Statements of Other Entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant entity.

The direct method is used whereby the financial statements of the foreign operations are translated directly into the functional currency of the parent company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Borrowing Costs

All borrowing costs that are interest and other costs incurred in connection with the borrowing of funds that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are recognised as an expense in the period in which they are incurred. The interest expense is calculated using the effective interest rate method.

Property, Plant and Equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold buildings and land use rights	–	20 to 60 years
Plant and equipment	–	1 to 15 years

Depreciation is not provided for assets under construction.

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent cost is recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Leases

Whether an arrangement is, or contains, a lease, it is based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting year in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Intangible Assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. An identifiable non-monetary asset without physical substance is recognised as an intangible asset if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. This also applies to an internally generated intangible asset. Research expenditure is expensed when incurred. Development cost incurred relating to the design and testing of new or improved products are recognised as intangible assets when it is probable that the project will be viable considering its commercial and technical feasibility and its costs can be measured reliably and there are sufficient resources to complete development. Where no internally generated intangible asset can be recognised, development cost is expensed when incurred. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset is regarded as having an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

License	–	20 years

Identifiable intangible assets acquired as part of a business combination are initially recognised separately from goodwill if the asset's fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. An intangible asset is considered identifiable only if it is separable or if it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Segment Reporting

The Group discloses financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities accompanying a shareholding of more than one half of the voting rights or the ability to appoint or remove the majority of the members of the Board of Directors or to cast the majority of votes at meetings of the Board of Directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In the Company's own separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value adjusted for any changes in the contingent consideration. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The net book value of a subsidiary is not necessarily indicative of the amounts that would be realised in a current market.

Business Combinations

Business combinations are accounted for by applying the acquisition method. There were none during the reporting year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Non-controlling Interests

The non-controlling interests in the net assets and net results of a consolidated subsidiary are shown separately in the appropriate components of the consolidated financial statements. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Impairment of Non-Financial Assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. When the fair value less costs to sell method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill

Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with FRS 103 (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this FRS 103.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill (and also an intangible asset with an indefinite useful life or an intangible asset not yet available for use) are tested for impairment, at least annually. Goodwill impairment is not reversible in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Assets Classified as Held for Sale

Identifiable assets, liabilities and contingent liabilities and any disposal groups are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. It can include a subsidiary acquired exclusively with a view to resale. Assets that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell and are presented separately on the face of the statement of financial position. Once an asset is classified as held for sale or included in a group of assets held for sale no further depreciation or amortisation is recorded. Impairment losses on initial classification of the balances as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement. The depreciation on depreciable assets is ceased.

In addition, the results of discontinued operations are presented separately in profit or loss. A discontinued operation is a component of the business that represents a separate major line of business or geographical area of operations that has been sold, or classified as held for sale or has been abandoned. They are shown separately in profit or loss and comparative figures are restated to reclassify them from continuing to discontinued operations.

Inventories

Inventories are measured at the lower of cost (weighted average) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made for where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Financial Assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following four categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: Assets are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading assets) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. These assets are carried at fair value by reference to the transaction price or current bid prices in an active market. All changes in fair value relating to assets at fair value through profit or loss are recognised directly in profit or loss. They are classified as non-current assets unless management intends to dispose of the asset within 12 months of the end of the reporting year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Assets (cont'd)

Subsequent measurement: (cont'd)

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

3. Held-to-maturity financial assets: As at end of the reporting year, there were no financial assets classified in this category.

4. Available for sale financial assets: As at end of the reporting year, there were no financial assets classified in this category.

Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Financial Liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expired. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: As at end of the reporting year, there were no financial liabilities classified in this category.

2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial Guarantees

A financial guarantee contract requires that the issuer makes specified payments to reimburse the holder for a loss when a specified debtor fails to make payment when due. Financial guarantee contracts are initially recognised at fair value and are subsequently measured at the greater of (a) the amount determined in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18.

Fair Value of Financial Instruments

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes. The maximum exposure to credit risk is: the total of the fair value of the financial assets and other financial instruments; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any commitments on borrowings at the end of the reporting year. The fair value of a financial instrument is derived from an active market or by using an acceptable valuation technique. The appropriate quoted market price for an asset held or liability to be issued is usually the current bid price without any deduction for transaction costs that may be incurred on sale or other disposal and, for an asset to be acquired or liability held, the asking price. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The fair value measurements are classified using a fair value hierarchy of 3 levels that reflects the significance of the inputs used in making the measurements, that is, Level 1 for the use of quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 for the use of inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and Level 3 for the use of inputs for the asset or liability that are not based on observable market data (unobservable inputs). The level is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Where observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Equity

Equity instruments are contracts that give a residual interest in the net assets of the Company. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the period they occur.

Government Grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. A grant in recognition of specific expenses is recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Critical Judgements, Assumptions and Estimation Uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next financial year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Construction contracts

One of the most important phases for construction contracts relates to estimated costs to complete contracts in process, since that information is used in determining the estimated final profit or loss on contracts. Estimated costs to complete involve expectations about future performance, and the Management does obtain explanations of apparent disparities between estimates and past performance on contracts. Because of the direct effect on the estimated profit or loss on the contract, Management has to estimate that the cost to complete is reasonable. Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions occur, actual results are still likely to be different from the estimates since other anticipated events frequently do not occur as expected and the variation may be material.

Estimated impairment of goodwill

An assessment is made annually whether goodwill has suffered any impairment loss, based on the recoverable amounts of the cash-generating units ("CGU"). The recoverable amounts of the CGUs was determined based on value-in-use calculations and these calculations require the use of estimates in relation to future cash flows and suitable discount rates as disclosed in note 16. Actual outcomes could vary from these estimates disclosed in note 16. If the actual gross margin and the pre-tax discounted rate had been more favourable than Management's estimates, the Group would not be able to reverse any impairment losses that arose on goodwill because reversal is not permitted by FRS 36.

Allowance for doubtful accounts

An allowance is made for doubtful accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. Management generally analyses accounts receivables and historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful trade receivables. To the extent that it is feasible impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next financial year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year.

Net realisable value of inventories

A review is made periodically on inventory for excess inventory, obsolescence and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. These reviews require Management to estimate future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the valuation of inventory. The amount at the end of the reporting year was $38,384,000 (2010: $40,493,000).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Critical Judgements, Assumptions and Estimation Uncertainties (cont'd)

Income tax expense

The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made.

Deferred tax estimation

Management judgement is required in determining the amount of current and deferred tax recognised as income or expense and the extent to which deferred tax assets can be recognised. A deferred tax asset is recognised if it is more likely than not that sufficient taxable income will be available in the future against which the temporary differences and unused tax losses can be utilised. Management also considers future taxable income and tax planning strategies in assessing whether deferred tax assets should be recognised in order to reflect changed circumstances as well as tax regulations. As a result, due to their inherent nature, it is likely that deferred tax calculation relates to complex fact patterns for which assessments of likelihood are judgmental and not susceptible to precise determination. The balances recorded and unrecognised are disclosed in note 11.

Property, plant and equipment

The Group has properties, plant and equipment stated at carrying value of $53,311,000 (2010: $52,832,000). An assessment is made at each reporting date on whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected.

Useful lives of plant and equipment

The estimates for the useful lives and related depreciation charges for plant and equipment is based on commercial and production factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the class of assets affected by the assumption is $26,904,000 (2010: $23,822,000).

Estimated impairment of subsidiary

When a subsidiary is in net equity deficit or has suffered losses a test is made on whether the investment in the investee has suffered any impairment, in accordance with the stated accounting policy. This determination requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flows. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the asset affected. The carrying amount of the specific assets affected by the assumption is $3,597,000 (2010: $3,650,000).

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity; (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group; (ii) One entity is an associate or joint venture of the other entity; (iii) Both entities are joint ventures of the same third party; (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity; (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; (vi) The entity is controlled or jointly controlled by a person identified in (a); or (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3A. Related companies

Related companies in these financial statements include the members of the Company's group of companies.

There are transactions and arrangements between the Company and members of the Group and the effects of these on the basis determined between the parties are reflected in these financial statements. The current intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For non-current balances, if significant, an interest is imputed unless stated otherwise based on the prevailing market interest rate for similar debt less the interest rate, if any, provided in the agreement for the balance. For financial guarantees, a fair value is imputed and is recognised accordingly, if significant, where no charge is payable.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances under this note.

3B. Other related parties

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The current related party balances are unsecured without fixed repayment terms and interest unless stated otherwise.

Significant related party transactions

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, these items include the following:

	Other related parties	
	2011	**2010**
	$'000	**$'000**
Group		
Sale of goods	6,305	57,821
Company		
Sale of goods	664	5,264

	Director	
	2011	**2010**
	$'000	**$'000**
Group and Company		
Rendering of services	–	22

Also see note 17 for sale of a subsidiary to a related party subsequent to the end of reporting year.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3C. Key management compensation

	Group and Company	
	2011	**2010**
	$'000	**$'000**
Salaries and other short-term employee benefits	1,542	1,289

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	2011	**2010**
	$'000	**$'000**
Remuneration of Directors of the Company	772	436
Fees to Directors of the Company	263	313

During the reporting year, two of the Directors of the Company exercised their share options for 1,800,000 ordinary shares of the Company at prices of $0.063 and $0.0813. A total cash consideration of $128,000 was paid to the Company (note 24B).

Further information on the remuneration of individual Directors is provided in the report on corporate governance.

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The above amounts for key management compensation are for all the Directors and other key management personnel.

3D. Commitments and contingencies

As at 31 December 2011, the Company has contingent liabilities of $9,959,000 (2010: $15,124,000) in respect of guarantees issued in connection with banking facilities granted to subsidiaries.

4. FINANCIAL INFORMATION BY SEGMENTS

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the Group.

For management purposes, the Group is organised into two major operating segments: (1) Packaging products and (2) Stainless steel products. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. It represents the basis on which the Management reports the primary segment information. They are managed separately because each business requires different strategies.

The segments are as follows:

Packaging products	–	Manufacture of metal containers and flexible packaging materials.
Stainless steel products	–	Construction, fabrication and sale of stainless steel products.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the Group are, as far as practicable, based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation, amortisation, interests and income taxes (called "Recurring EBITDA") and (2) segmental operating result before income taxes.

4. FINANCIAL INFORMATION BY SEGMENTS (CONT'D)

4A. Information about reportable segment profit or loss, assets and liabilities (cont'd)

As disclosed in note 17 to the financial statements, the Company entered into a sale and purchase agreement with a related party to dispose of its entire 96.3% shareholding in Hoover Stainless Pte Ltd ("Hoover Singapore Disposal"). In connection with the Hoover Singapore Disposal, Hoover Stainless Pte Ltd has also entered into a sale and purchase agreement with an external party to dispose the entire issued and paid up share capital of Shanghai Hoover Stainless Steel Co., Ltd ("Hoover Shanghai Disposal"). The Hoover Singapore Disposal and the Hoover Shanghai Disposal are collectively known as the "Disposal Group".

Consequently, the results of the Disposal Group are recorded under "Discontinued Operations" for the reporting year and the comparatives for the profit or loss of the Group have been restated accordingly. The comparatives for the statement of financial position of the Group do not require reclassification.

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

The information on each product and service, or each group of similar products and services is not available and the cost to develop it would be excessive.

4B. Profit or loss from operations and reconciliations

	Packaging products $'000	Discontinued operations $'000	Group $'000
2011			
Revenue by segment			
External revenue	161,360	6,881	168,241
Recurring EBITDA	10,913	(238)	10,675
Depreciation	(5,581)	(121)	(5,702)
Amortisation	(21)	–	(21)
Interest income	81	–	81
Interest expense	(1,780)	(77)	(1,857)
Segmental operating results	3,612	(436)	3,176
Re-measurement loss recognised on Disposal Group classified as held for sale (note 17)			(877)
Income tax expense			(514)
Profit, net of tax			1,785
2010 (Restated)			
Revenue by segment			
External revenue	165,660	10,615	176,275
Recurring EBITDA	12,269	941	13,210
Depreciation	(4,799)	(173)	(4,972)
Interest income	68	–	68
Interest expense	(1,263)	(304)	(1,567)
Segmental operating results	6,275	464	6,739
Income tax expense			(1,713)
Profit, net of tax			5,026

4. FINANCIAL INFORMATION BY SEGMENTS (CONT'D)

4C. Assets and reconciliations

	Packaging products $'000	Discontinued operations $'000	Group $'000
2011			
Total assets for reportable segments	155,820	3,694	159,514
2010			
Total assets for reportable segments	148,578	7,865	156,443

4D. Liabilities and reconciliations

	Packaging products $'000	Discontinued operations $'000	Group $'000
2011			
Total liabilities for reportable segments	70,243	3,912	74,155
Total liabilities			74,155
2010			
Total liabilities for reportable segments	30,973	792	31,765
Unallocated liabilities:			
Deferred and current tax liabilities			2,084
Other financial liabilities			40,401
Finance leases			157
Total liabilities			74,407

4E. Other material items and reconciliations

	Packaging products $'000	Discontinued operations $'000	Group $'000
Expenditures for non-current assets			
2011	7,869	14	7,883
2010	11,611	180	11,791

4. FINANCIAL INFORMATION BY SEGMENTS (CONT'D)

4F. Geographical information

The following table provides an analysis of the revenue by geographical market based on the locations of the end customers, irrespective of the origin of the goods/ services:

Group	Revenue 2011 $'000	Revenue 2010 $'000	Non-current assets 2011 $'000	Non-current assets 2010 $'000
Singapore	71,671	72,664	17,320	17,715
China	79,372	85,864	39,541	36,824
ASEAN (other than Singapore)	8,493	4,535	772	654
Others	8,705	13,212	526	–
Discontinued operations	(6,881)	(10,615)	(2,508)	–
	161,360	165,660	55,651	55,193

Revenues are attributed to countries on the basis of the customer's location. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and deferred tax assets.

4G. Information about major customers

	Group 2011 $'000	Group 2010 $'000
Top 1 customer in packaging products segment	53,434	57,821
Top 2 customers in packaging products segment	71,564	74,798
Top 3 customers in packaging products segment	82,766	82,193

5. REVENUE

	Group 2011 $'000	Group (Restated) 2010 $'000
Sale of packaging products	161,360	165,660

6. INTEREST INCOME

	Group 2011 $'000	Group (Restated) 2010 $'000
Interest income from banks	81	68

7. OTHER CREDITS AND (OTHER CHARGES)

	Group 2011 $'000	Group (Restated) 2010 $'000
Allowance for impairment on trade receivables	(113)	(162)
Bad debts written off on trade receivables	–	(15)
Commission income	3	175
Compensation received	288	–
Foreign exchange adjustment losses	(509)	(45)
Loss on disposal of plant and equipment	(13)	(428)
Gain on sale of raw materials and scrap materials	3,167	3,237
Government incentive	15	8
Government grant income from Jobs Credit Scheme	–	63
Allowance for impairment of inventories	(574)	(522)
Inventories written off	(147)	–
Plant and equipment written off	(75)	(42)
Reversal of provision (note 26)	469	–
Others	90	244
	2,601	2,513
Presented in the profit or loss as:		
Other credits	4,032	3,727
Other charges	(1,431)	(1,214)
Net	2,601	2,513

8. FINANCE COSTS

	Group 2011 $'000	Group (Restated) 2010 $'000
Interest expense	1,780	1,263

9. EMPLOYEE BENEFITS EXPENSE

	Group 2011 $'000	Group (Restated) 2010 $'000
Employee benefits expense	16,081	16,332
Contributions to defined contribution plans	2,404	1,643
Other benefits	14	24
Total employee benefits expense	18,499	17,999
Included in:		
Cost of sales	11,640	11,327
Distribution costs	1,844	1,610
Administrative expenses	5,015	5,062
	18,499	17,999

10. ITEMS IN PROFIT OR LOSS

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this item includes the following charges:

	Group 2011 $'000	(Restated) 2010 $'000
Audit fees to the independent auditors of the Company	169	173
Audit fees to other independent auditors	156	154
Non-audit fees to the independent auditors of the Company	20	20
Non-audit fees to other independent auditors	5	–

11. INCOME TAX

11A. Components of tax expense recognised in profit or loss include:

	Group 2011 $'000	(Restated) 2010 $'000
Current tax expense		
Current tax expense	1,309	1,588
Over adjustments to tax in respect of prior periods	(355)	–
	954	1,588
Deferred tax expense		
Deferred tax expense	(440)	125
Total income tax expense	514	1,713

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2010: 17%) to profit before income tax as a result of the following differences:

	Group 2011 $'000	(Restated) 2010 $'000
Profit before tax from continuing operations	2,735	6,275
Income tax expense at the above rate	465	1,067
Non-allowable items	417	310
Effect of different tax rates in different countries	159	453
Income tax exemption from foreign subsidiaries	(25)	(115)
Tax exemption	(108)	–
Over adjustments to tax in respect of prior periods	(355)	–
Other minor items less than 3% each	(39)	(2)
Total income tax expense	514	1,713

There are no income tax consequences of dividends to owners of the Company.

The amount of income taxes outstanding as at the end of the reporting year was $125,000 (2010: $376,000). Such an amount is net of tax advances, which according to tax rules, were paid before the end of the reporting year.

11. INCOME TAX (CONT'D)

11B. Deferred tax expense recognised in profit or loss include:

	Group 2011 $'000	Group (Restated) 2010 $'000
Deferred tax (credit)/ expenses arising from excess of net book value of property, plant and equipment over tax values	(440)	200
Deferred tax income arising from provisions	–	(75)
Deferred tax income arising from excess of tax values over net book value of property, plant and equipment	23	(3)
Tax loss carry forwards utilised	420	153
Deferred tax assets unrecognised	(443)	(150)
	(440)	125

11C. Deferred tax balance in the statement of financial position:

	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Excess of net book value of property, plant and equipment over tax values	(1,236)	(1,676)	(1,236)	(1,676)
Deferred tax liability arising from fair value adjustments in relation to acquisition of subsidiary (note 30)	–	(32)	–	–
Deferred tax assets arising from provisions	75	75	–	–
Excess of tax values over net book value of property, plant and equipment	–	23	–	–
Tax loss carry forwards	–	420	–	–
Unrecognised deferred tax assets	(32)	(443)	–	–
	(1,193)	(1,633)	(1,236)	(1,676)
Presented in the statement of financial position as follows:				
Deferred tax liabilities	(1,268)	(1,708)	(1,236)	(1,676)
Deferred tax assets	75	75	–	–
Net balance	(1,193)	(1,633)	(1,236)	(1,676)

It is impracticable to estimate the amount expected to be settled or used within one year.

At the end of the reporting year, the aggregate amount of temporary differences associated with investments in subsidiaries in China for which deferred tax liabilities have not been recognised was $546,000 (2010: $450,000). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. Temporary differences arising in connection with interests in subsidiaries are insignificant.

No deferred tax asset has been recognised in respect of the unused tax losses in certain subsidiaries in China due to the uncertainty of its recoverability. Included in unrecognised tax losses are losses of $3,575,000 (2010: $4,939,000) that will expire between 2011 and 2015. Other losses may be carried forward indefinitely.

For the Singapore companies, the realisation of the future income tax benefits from tax losses carry forward and temporary differences from capital allowances is available for an unlimited future period, subject to the conditions imposed by law including the retention of majority shareholders as defined.

12. DIVIDENDS ON EQUITY SHARES

	Group and Company 2011 $'000	2010 $'000
Final dividend paid of 0.3 cents (2010: 0.3 cents) per share	1,104	546

The Directors proposed a final dividend of 0.15 cents per ordinary share in respect of the reporting year ended 31 December 2011 for approval by shareholders at the forthcoming Annual General Meeting of the Company. There are no income tax consequences. The proposed dividend has not been included as a liability in these financial statements and there is no income tax consequences. It is payable in respect of all ordinary shares in issue at the end of the reporting year and including new shares issue up to the date the dividend becomes payable.

13. EARNINGS PER SHARE

The following table illustrates the numerators and denominators used to calculate basic and diluted earnings per share.

	Group 2011 $'000	(Restated) 2010 $'000
A. Numerators: earnings from operations attributable to equity holders:		
- Continuing operations: attributable to equity holders	2,264	4,570
- Discontinued operations: (Loss)/profit for the year	(452)	447
B. Total basic earnings	1,812	5,017
C. Diluted earnings	1,812	5,017
	2011 '000	**2010 '000**
D. Denominators: weighted average number of equity shares		
Basic	367,876	287,488
Dilutive share options effect	3,302	3,983
Diluted	371,178	291,471

Basic earnings per share ratio is computed based on the weighted average number of ordinary shares outstanding during each reporting year. The diluted earnings per share is based on the weighted average number of ordinary shares and dilutive ordinary share equivalents outstanding during each reporting year. The diluted earnings per share is based on the weighted average number of ordinary shares and dilutive ordinary share equivalents outstanding during each reporting year. The ordinary share equivalents included in these calculations are: (1) the average number of ordinary shares assumed to be outstanding during the reporting year and (2) shares of ordinary share issuable upon assumed exercise of share options which (if any) would have a dilutive effect.

In 2010, the weighted average number of equity shares refers to shares in circulation during the period, adjusted for the effects of the Rights Issue as detailed below:

In August 2010, the Company issued and allotted 181,878,000 new ordinary shares ("Rights Shares") in the capital of the Company pursuant to a renounceable non-underwritten Rights Issue on the basis of one Rights Share for every one existing ordinary shares in the capital of the Company. The Rights Shares were offered at $0.055 per share and represented a discount to the fair value of existing shares. An adjustment factor of 1.371 was applied based on the Company's share price of $0.12 per share on 27 July 2010, the last day on which the existing ordinary shares were traded together with the rights to exercise the Rights Shares on the Singapore Exchange Securities Trading Limited, and the theoretical ex-rights price at that date of $0.087 per share. Note 24 provides further details on the Rights Issue.

14. PROPERTY, PLANT AND EQUIPMENT

Group	Land use rights $'000	Leasehold buildings $'000	Plant and equipment $'000	Assets under construction $'000	Total $'000
Cost					
At 1 January 2010	4,151	27,223	67,931	1,762	101,067
Foreign exchange adjustments	(94)	(172)	(749)	(11)	(1,026)
Arising from acquisition of a subsidiary	629	1,273	2,277	–	4,179
Additions	23	1,408	5,093	5,267	11,791
Disposals	(5)	–	(1,661)	(220)	(1,886)
Transfers	–	–	4	(4)	–
At 31 December 2010	4,704	29,732	72,895	6,794	114,125
Foreign exchange adjustments	168	380	1,357	241	2,146
Transferred to Disposal Group classified as held for sale	(179)	(3,768)	(1,157)	–	(5,104)
Additions	–	548	7,273	62	7,883
Disposals	–	–	(699)	–	(699)
Transfers	5	5,164	444	(5,613)	–
At 31 December 2011	4,698	32,056	80,113	1,484	118,351
Accumulated depreciation					
At 1 January 2010	728	10,730	45,862	–	57,320
Foreign exchange adjustments	(19)	(59)	(294)	–	(372)
Arising from acquisition of a subsidiary	13	27	508	–	548
Depreciation for the year	57	743	4,172	–	4,972
Disposals	–	–	(1,175)	–	(1,175)
At 31 December 2010	779	11,441	49,073	–	61,293
Foreign exchange adjustments	27	123	714	–	864
Depreciation for the year	165	827	4,710	–	5,702
Transferred to Disposal Group classified as held for sale	(136)	(1,395)	(1,065)	–	(2,596)
Disposals	–	–	(223)	–	(223)
At 31 December 2011	835	10,996	53,209	–	65,040
Net book value					
At 1 January 2010	3,423	16,493	22,069	1,762	43,747
At 31 December 2010	3,925	18,291	23,822	6,794	52,832
At 31 December 2011	3,863	21,060	26,904	1,484	53,311

The land use rights are for the land of the industrial buildings owned by certain subsidiaries in China. They are amortised on a straight-line method over their lease term. The land use rights expire between 2049 and 2059 and are not transferable.

Certain items of property, plant and equipment are pledged as security for bank facilities (see note 27).

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Leasehold buildings $'000	Plant and equipment $'000	Assets under construction $'000	Total $'000
Cost				
At 1 January 2010	14,114	39,121	–	53,235
Additions	135	2,268	808	3,211
Disposals	–	(1,185)	–	(1,185)
At 31 December 2010	14,249	40,204	808	55,261
Additions	143	1,589	–	1,732
Disposals	–	(29)	–	(29)
Transfer	–	808	(808)	–
At 31 December 2011	14,392	42,572	–	56,964
Accumulated depreciation				
At 1 January 2010	5,336	32,403	–	37,739
Depreciation for the year	400	2,009	–	2,409
Disposals	–	(817)	–	(817)
At 31 December 2010	5,736	33,595	–	39,331
Depreciation for the year	384	2,039	–	2,423
Disposals	–	(29)	–	(29)
At 31 December 2011	6,120	35,605	–	41,725
Net book value				
At 1 January 2010	8,778	6,718	–	15,496
At 31 December 2010	8,513	6,609	808	15,930
At 31 December 2011	8,272	6,967	–	15,239

The depreciation expense is charged as follows:

	Cost of sales $'000	Distribution expenses $'000	Administrative expenses $'000	Total $'000
Group				
2011	4,589	34	1,079	5,702
2010	3,978	39	955	4,972
Company				
2011	2,115	–	308	2,423
2010	2,088	–	321	2,409

Certain items under plant and equipment are under finance lease agreements (note 28).

15. INVESTMENTS IN SUBSIDIARIES

	Company 2011 $'000	Company 2010 $'000
Cost at the beginning of the year	62,277	54,357
Additions	–	500
Increase in investment in subsidiaries	2,368	7,420
Less: Allowance for impairment	(13,731)	(13,031)
Balance at end of the year	50,914	49,246
Presented in statements of financial position:		
Investments in subsidiaries, non-current	50,797	49,246
Assets of Disposal Group classified as held for sale (note 17)	117	–
	50,914	49,246
Net book value of subsidiaries	62,118	56,807
Analysis of above amount denominated in non-functional currency:		
United States Dollar	55,296	52,928
Singapore Dollar	9,349	9,349
	64,645	62,277
Movements in allowance for impairment:		
Balance at beginning of the year	13,031	11,340
Impairment loss charged to profit or loss	700	1,691
Balance at end of the year	13,731	13,031

The Management had recognised allowance for impairment of $0.7 million on the cost of investments of a subsidiary of the Company for the reporting year. Impairment tests on the carrying value of investment in the subsidiary were carried out and the Management had written down the cost of investments for the subsidiary to the recoverable amount of the subsidiary determined by value-in-use calculations. The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. The subsidiary has suffered from a fall in demand in sales. Accordingly, it was necessary to provide for an impairment loss.

The subsidiaries held by the Company and the Group are listed below:

Name of subsidiary, country of incorporation, place of operations and principal activities (and Auditors)	Cost of investments 2011 $'000	Cost of investments 2010 $'000	Effective percentage of equity held by Group 2011 %	Effective percentage of equity held by Group 2010 %
Held by the Company:				
Hoover Stainless Pte Ltd [c] Singapore Manufacture, fabrication and sale of stainless steel products (RSM Chio Lim LLP)	8,849	8,849	96.3	96.3
Kunshan Huade Metal Packaging Container Co., Ltd [a] People's Republic of China Production of metal containers (BDO China Shu Lun Pan CPAs)	1,539	1,531	100	100

15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary, country of incorporation, place of operations and principal activities (and Auditors)	Cost of investments 2011 $'000	Cost of investments 2010 $'000	Effective percentage of equity held by Group 2011 %	Effective percentage of equity held by Group 2010 %
Langfang Huade Metal Packaging Container Co., Ltd [(b)] People's Republic of China Customised metal printing (RSM China CPAs)	17,445	17,445	100	100
Superior (Langfang) Multi-Packaging Co., Ltd [(b)] People's Republic of China Production of metal containers (RSM China CPAs)	4,163	4,154	100	100
Superior (Tianjin) Multi-Packaging Co., Ltd [(b)] People's Republic of China Production of metal containers (RSM China CPAs)	8,119	6,455	100	100
Superior Metal Printing (Huiyang) Co., Ltd [(b)] People's Republic of China Production of metal containers (RSM China CPAs)	3,647	3,647	100	100
Superior Precision Moulds & Packaging Container (Shanghai) Co., Ltd [(a)] People's Republic of China Production of metal containers (BDO China Shu Lun Pan CPAs)	8,499	8,459	100	100
Neo Tech Packaging (Shanghai) Co., Ltd [(a)] People's Republic of China Production of laminated metal plate (BDO China Shu Lun Pan CPAs)	3,426	2,799	95	95
Guangzhou Superior Multi-Packaging Co., Ltd [(b)] People's Republic of China Production of metal containers (RSM China CPAs)	2,005	1,985	100	100
Superior Metal Printing Phils., Inc [(b)] The Philippines Sale of packaging and metal containers (Alas, Oplas & Co., CPAs)	1,000	1,000	100	100
Superior Multi-Packaging (Vietnam) Co., Ltd [(a)] Vietnam Production of metal containers and plastic pails (DTL Auditing Company)	3,288	3,288	100	100

15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary, country of incorporation, place of operations and principal activities (and Auditors)	Cost of investments 2011 $'000	Cost of investments 2010 $'000	Effective percentage of equity held by Group 2011 %	Effective percentage of equity held by Group 2010 %
Superior (Chengdu) Multi-Packaging Co., Ltd [(a)] People's Republic of China Production of metal containers (BDO China Shu Lun Pan CPAs)	2,165	2,165	100	100
Superior Investments Holdings Pte Ltd (Incorporated on 25 February 2010) Singapore Investment holding company (RSM Chio Lim LLP)	500	500	100	100
Held through Hoover Stainless Pte Ltd:				
Shanghai Hoover Stainless Steel Co., Ltd [(a)] People's Republic of China Manufacture, fabrication and sale of stainless steel products (BDO China Shu Lun Pan CPAs)	2,714	2,714	96.3	96.3
Held through Superior Precision Moulds & Packaging Container (Shanghai) Co., Ltd:				
Zhejiang Gaote Metal Decorating Co., Ltd [(a)] (Acquired on 14 May 2010) People's Republic of China Customised metal printing (BDO China Shu Lun Pan CPAs)	1,772	1,772	100	100
Held through Superior Investments Holdings Pte Ltd:				
Superior Cans & Pails Containers (Pune) Pvt. Ltd [(a)] (Incorporated on 13 July 2010) India Production of metal containers (Vijay D. Kendhe & Co. Chartered Accountants)	1,545	414	100	100

(a) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. Their names are indicated above.

(b) Audited by member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member.

(c) The cost of investment after allowance for impairment in Hoover Stainless Pte Ltd of $117,000 is classified under current assets as the subsidiary will be disposed subsequent to the end of the reporting year as disclosed in note 17 to the financial statements.

As required by Rule 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Audit Committee and the Board of Directors of the Company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

16. INTANGIBLE ASSETS

	Group 2011 $'000	Group 2010 $'000
Goodwill (note 16A)	2,071	2,071
Other intangible assets (note 16B)	269	290
	2,340	2,361

16. INTANGIBLE ASSETS (CONT'D)

16A. Goodwill

	Group 2011 $'000	Group 2010 $'000
Cost		
At beginning of the year	2,071	1,176
Arising from acquisition of a subsidiary (note 30)	–	895
At end of the year	2,071	2,071
Net book value		
At end of the year	2,071	2,071

Goodwill is allocated to cash-generating units ("CGU") for the purpose of impairment testing. Goodwill in those CGU is represented by the Group's investment in each subsidiary as follows:

Packaging products	Group 2011 $'000	Group 2010 $'000
Name of subsidiaries		
Langfang Huade Metal Packaging Container Co., Ltd ("LFHD")	1,176	1,176
Zhejiang Gaote Metal Decorating Co., Ltd ("ZGMD")	895	895
Net book value at end of the year	2,071	2,071

The above carrying amount of goodwill of $2,071,000 is allocated to the packaging products segment.

The goodwill was tested for impairment at the end of the reporting year. An impairment loss is the amount by which the carrying amount of an asset or a CGU exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell or its value-in-use. The recoverable amounts of CGUs have been determined based on the value-in-use method. The value is regarded as the lowest level for fair value measurement as the valuation includes inputs for the asset that are not based on observable market data (unobservable inputs).

In this case, no impairment charges were recognised because the carrying amount of the CGU was lower than its recoverable amount.

The key assumptions for the value-in-use calculations are the discount rates, growth rates and expected changes to selling prices and direct costs during the period. The Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts and Management's expectations of the entities' earnings potential. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

LFHD: LFHD and Superior (Langfang) Multi-Packaging Co., Ltd ("SMPLF") mainly supply printed tinplates and component parts to another related company – Superior (Tianjin) Multi-Packaging Co., Ltd ("SMPTJ"). An impairment test based on the forecasted revenues and profits of the three entities has been carried out for the current reporting year ended 31 December 2011. The Management has considered these three entities as a single CGU and prepared budgeted forecasts for financial year ending 31 December 2012 on this basis.

16. INTANGIBLE ASSETS (CONT'D)

16A. Goodwill (cont'd)

The value-in-use was determined by the Management. The key assumptions for the value-in-use calculations are as follows:

	2011			2010	
	LFHD	**SMPLF**	**SMPTJ**	**LFHD**	**SMPLF**
Growth rates based on industry growth forecasts and not exceeding the average long-term growth rate for the relevant markets	6.0%	2.0%	6.0%	6.0%	3.0%
Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs	11.0%	11.0%	11.0%	12.5%	12.5%
Cash flow forecasts derived from the most recent financial budgets approved by the Management	5 years	5 years	5 years	5 years	5 years

As at 31 December 2011, any reasonable possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

Based on the cash flow forecasts, the Management is of the view that no impairment is required for the carrying amount of goodwill of $1.17 million allocated to LFHD for the reporting year ended 31 December 2011.

ZGMD: ZGMD was acquired with the intention to integrate its metal printing facilities into the Group's existing forming and assembly operations in metal containers packaging business. As ZGMD mainly supplies printed tinplates to another related company – Superior Precision Moulds & Packaging Container (Shanghai) Co., Ltd ("SMPSH") which in turn sells to third parties, an impairment test based on the forecasted revenue of the two entities has been carried out for the current reporting year ended 31 December 2011. The impairment test has been carried out using a discounted cash flow unlevered model covering a 5 years period. The Management has considered these two entities as a single CGU and prepared budgeted forecasts for the reporting year ending 31 December 2012 on this basis.

The value-in-use was determined by the Management. The key assumptions for the value-in-use calculations are as follows:

	2011		2010	
	ZGMD	**SMPSH**	**ZGMD**	**SMPSH**
Growth rates based on industry growth forecasts and not exceeding the average long-term growth rate for the relevant markets	3.0%	3.0%	3.0%	3.0%
Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs	11.0%	11.0%	12.8%	12.8%
Cash flow forecasts derived from the most recent financial budgets approved by the Management	5 years	5 years	5 years	5 years

16. INTANGIBLE ASSETS (CONT'D)

16A. Goodwill (cont'd)

As at 31 December 2011, any reasonable possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amounts of the CGU.

Based on the cash flow forecasts, the Management is of the view that no impairment is required for the carrying amount of goodwill of $0.89 million allocated to ZGMD for the reporting year ended 31 December 2011.

16B. Other intangible assets

Group	License $'000
Cost	
At 1 January 2010	–
Additions through business combinations (note 30)	290
At 31 December 2010 and 31 December 2011	290
Accumulated amortisation	
At 1 January 2010 and 31 December 2010	–
Amortisation for the year	21
At 31 December 2011	21
Net book value	
At 1 January 2010	–
At 31 December 2010	290
At 31 December 2011	269

There was no amortisation in 2010 for the license acquired as the amount is insignificant.

The intangible assets with finite useful lives are amortised. The amortisation expense is charged as administration expenses.

17. DISCONTINUED OPERATIONS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 14 February 2012, the Company entered into a sale and purchase agreement with a related party to dispose of its entire 96.3% shareholding in Hoover Stainless Pte Ltd ("HSPL") for a consideration of $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 with an external party to dispose its entire 100% shareholding in Shanghai Hoover for a consideration of RMB 5.5 million, equivalent to $1,068,000 (the "Hoover Shanghai Disposal"). The Hoover Singapore Disposal and the Hoover Shanghai Disposal are collectively known as the "Disposal Group". The disposal was planned in 2011.

Consequently, the results of the Disposal Group are recorded under "Discontinued Operations" for the reporting year and the comparatives have been restated accordingly.

17. DISCONTINUED OPERATIONS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

The results of the Disposal Group are as follows:

	2011 $'000	2010 $'000
Revenue	6,881	10,615
Expenses	(6,363)	(9,847)
Profit from operations	518	768
Finance costs	(77)	(304)
Loss recognised on re-measurement to fair value less costs to sell	(877)	–
(Loss)/profit before tax from discontinued operations	(436)	464
Income tax expense	–	–
(Loss)/profit from discontinued operation, net of tax	(436)	464

A loss of $877,000 arose from the disposal, being the consideration receivable on disposal less the carrying amount of the subsidiaries' net assets. No tax charge or credit arose from the transaction.

The following table summarises the carrying value of the account balances of the Disposal Group classified as held for sale.

	2011 $'000
Assets:	
Property, plant and equipment	1,631
Investment	10
Inventories	162
Other assets	1,078
Trade and other receivables	465
Cash and short term deposits	348
Assets of Disposal Group classified as held for sale	3,694
Liabilities:	
Trade and other payables	1,612
Short term loan	2,300
Liabilities of Disposal Group classified as held for sale	3,912
Net liabilities of Disposal Group classified as held for sale	(218)
Reserve:	
Foreign currency translation reserve	119

The short term loan undertaken by the Disposal Group is secured over a corporate guarantee provided by the Company.

The cash flows of the discontinued operations for the previous year and for the period from the beginning of the reporting year to 31 December 2011, which have been included in the consolidated financial statements, were as follows :

	2011 $'000	2010 $'000
Operating cash flows	3,302	(898)
Investing activities	(14)	(170)
Financing activities	(4,151)	1,013
Total cash flows	(863)	(55)

18. INVENTORIES

	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Finished goods and goods for resale	8,712	8,129	5,290	4,511
Work in progress	3,354	5,517	2,031	3,035
Raw materials and consumables	26,318	26,847	8,935	12,034
	38,384	40,493	16,256	19,580

Inventories are stated after allowance for impairment.

Movements in allowance for impairment:

	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Balance at beginning of the year	1,671	1,473	955	810
Charged to profit or loss included in other charges	574	522	473	400
Transferred to Disposal Group classified as held for sale	(296)	–	–	–
Amounts written off	(63)	(324)	(86)	(255)
Balance at end of the year	1,886	1,671	1,342	955

Included in cost of sales:

	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Changes – decrease/(increase) in inventories of finished goods and work in progress	1,580	(2,710)	225	(2,013)
Raw materials and consumables used	116,913	128,902	54,918	54,897

Certain inventories are pledged as security for the bank facilities (note 27).

19. TRADE AND OTHER RECEIVABLES

	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Trade receivables				
External parties	36,411	30,182	18,398	17,533
Less: Allowance for impairment	(417)	(376)	(100)	(89)
Construction contract retention receivables (note 21A)	–	309	–	–
Subsidiaries (note 3)	–	–	1,802	1,805
Related parties (note 3)	–	6,750	–	1,343
Sub-total	35,994	36,865	20,100	20,592
Other receivables				
Subsidiaries (note 3)	–	–	6,248	3,542
Less: Allowance for impairment	–	–	(1,100)	(1,100)
Other receivables	2,424	1,856	54	466
Sub-total	2,424	1,856	5,202	2,908
Total trade and other receivables	38,418	38,721	25,302	23,500

19. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Movements in allowance for impairment:				
Balance at beginning of the year	376	312	1,189	1,130
Charged for trade receivables to profit or loss included in other charges	113	162	11	60
Transferred to Disposal Group classified as held for sale	(32)	–	–	–
Used	(40)	(98)	–	(1)
Balance at end of the year	417	376	1,200	1,189

The allowance is based on individual accounts that are determined to be impaired at the year end date. These are not secured.

20. OTHER FINANCIAL ASSETS

	Group	
	2011 $'000	2010 $'000
Investments at fair value through profit or loss		
Balance at beginning of the year	10	10
Reclassified to assets of Disposal Group classified as held for sale (note 17)	(10)	–
Balance at end of the year	–	10
Fair value		
Quoted equity shares in corporations	–	10

All the investments are stated at fair value based on bid prices (Level 1 measurement, as defined in accounting policy on fair value of financial instruments – note 2) in an active market at the end of the reporting year.

21. OTHER ASSETS

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Deposits to secure services	333	445	198	190
Prepayments	342	195	63	90
Advances for purchase of plant and equipment	752	598	–	2
Advances to suppliers	4,973	2,791	–	–
Construction contract work in progress (note 21A)	–	3,108	–	–
Club memberships	41	45	36	36
	6,441	7,182	297	318

The carrying value of club memberships is stated at cost. The fair value of the club memberships is deemed to be not reliably measurable as the probabilities of the various estimates within the range cannot be reasonably assessed as used in estimating fair values. Consequently, it is carried at cost less allowance for impairment.

21. OTHER ASSETS (CONT'D)

21A. Construction contract work in progress

	Group 2011 $'000	Group 2010 $'000
Aggregate amount of costs incurred and recognised profits less recognised losses to date on uncompleted contracts	–	18,134
Less: Progress payments received and receivables to date	–	(15,026)
Net amount due from contract customers at end of the year	–	3,108
Included in the accompanying statement of financial position as follows:		
As an asset under other assets (note 21)	–	3,108
Construction contract retention receivables as an asset under trade receivables (note 19)	–	309

Construction contracts work in progress are stated after allowance for expected losses.

Movements in allowance for expected losses are as follows:

	Group 2011 $'000	Group 2010 $'000
Balance at beginning of the year	2,445	2,213
Charged to profit or loss included in other charges	–	232
Reclassified to assets of Disposal Group classified as held for sale	(2,445)	–
Balance at end of the year	–	2,445

Borrowing costs included in the cost of construction contracts during the year are calculated by applying a capitalisation rate of NIL (2010: 2.9%) on the construction contracts.

	Group 2011 $'000	Group 2010 $'000
Borrowing costs that were capitalised in construction contracts during the year	–	81

Construction contract work in progress relate to contract balances of the Disposal Group (note 17). These assets have been reclassified to assets of Disposal Group classified as held for sale.

22. CASH AND CASH EQUIVALENTS

	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
Not restricted in use	16,851	14,769	7,589	6,182
Interest earning balances	16,793	14,659	7,579	6,182

The interest rates for the cash balances on interest earning accounts are between 0.02% to 3.78% (2010: 0.01% to 6.3%) receivable from monthly to yearly basis.

22. CASH AND CASH EQUIVALENTS (CONT'D)

22A. Cash and cash equivalents in the consolidated statement of cash flows

	Group 2011 $'000	Group 2010 $'000
Cash and cash equivalents as shown above	16,851	14,769
Cash and cash equivalents classified as Disposal Group held for sale (note 17)	348	–
Cash and cash equivalent at end of the year	17,199	14,769

22B. Non-cash transaction

Plant and equipment amounting to NIL (2010: $226,000) was acquired by ways of finance leases during the year.

23. SHARE CAPITAL

Group and Company	2011 Number of shares '000	2011 Issued share capital $'000	2010 Number of shares '000	2010 Issued share capital $'000
Ordinary shares of no par value				
Balance at beginning of the year	363,756	55,021	181,878	45,289
Issue of Rights Shares at $0.055 each	–	–	181,878	10,003
Share issue expenses	–	–	–	(271)
Proceeds from exercise of share options	5,900	386	–	–
Exercise of share options	–	212	–	–
Balance at end of the year	369,656	55,619	363,756	55,021

At an Extraordinary General Meeting held on 21 July 2010, an ordinary resolution was passed to conduct a renounceable non-underwritten Rights Issue on the basis of one Rights Share for every one existing ordinary shares in the capital of the Company. Pursuant to the Rights Issue, on or about 27 August 2010, the Company issued and allotted 181,878,000 new ordinary shares ("Rights Shares") in the capital of the Company. The Rights Shares were offered at $0.055 per share.

The ordinary shares of no par value which are fully paid carry no right to fixed income. The Company is not subject to any externally imposed capital requirements.

During the reporting year, 5,900,000 ordinary shares of no par value were issued for cash at $386,000 due to exercise of share options.

Capital management

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The Management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The Management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt.

The Management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, non-controlling interests, retained earnings, statutory reserve, share options and foreign currency translation reserve) less other amounts recognised in other comprehensive income relating to cash flow hedges and some forms of subordinated debt, if any.

23. SHARE CAPITAL (CONT'D)

In order to maintain its listing on the Singapore Exchange Securities Trading Limited, it has to have share capital with a free float of at least 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will automatically continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The Management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

	Group	
	2011 $'000	2010 $'000
Net debts		
All current and non-current borrowings including finance leases	37,745	40,558
Less: Cash and cash equivalents	(16,851)	(14,769)
	20,894	25,789
Net capital		
Equity	85,359	82,036
Debt-to-adjusted capital ratio	24.5%	31.4%

The decrease in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the decrease in borrowings.

24. SHARE BASED PAYMENT

24A. Share options – The Scheme

The Company has an employee share option scheme known as the "The Superior Multi-Packaging (2001) Executives' Share Option Scheme" (the "Scheme"). The Scheme was approved by the shareholders on 25 May 2001. At an Extraordinary General Meeting on 30 July 2007, shareholders approved the modifications to the Scheme.

Under the rules of the Scheme, any full time employee of the Company or its subsidiaries holding the rank of Executive Officer (or an equivalent or analogous rank) and above (including Non-executive Directors) selected by the Executive Resource and Compensation Committee ("ERC") are eligible to participate in the Scheme. Controlling shareholders or their associates are also eligible to participate in the Scheme subject to the approval of independent shareholders in the form of separate resolutions for each participant. Further, independent shareholders' approval is also required in the form of separate resolutions for each grant of options and the terms thereof, to each participant who is a controlling shareholder or his associate.

The total number of shares over which options may be granted shall not exceed 15% of the issued share capital of the Company at any time.

The Scheme is administered by the ERC, which consists of 3 Directors appointed by the Board of Directors of the Company. The number of options to be offered to a participant shall be determined at the discretion of the ERC, who shall take into account criteria such as the performance of the Company and the Group, provided that the total number of shares which may be offered to any participant during the entire operation of the Scheme (including adjustments under the rules) shall not exceed 15% of the total number of issued shares at any time.

The ERC may at its discretion fix the exercise price at (i) a price (the "Market Price") equal to the average of the last dealt prices for a share on Singapore Exchange Securities Trading Limited for a period of five (5) consecutive market days immediately prior to the relevant offer date; or (ii) a price which is set at a discount to the Market Price, provided that the maximum discount shall not exceed 20% of the Market Price. The discount will have to be approved by shareholders in a separate resolution at an Extraordinary General Meeting.

24. SHARE BASED PAYMENT (CONT'D)

24A. Share options – The Scheme (cont'd)

The maximum lifespan of the options granted under the Scheme is 10 years for executives, and 5 years for Non-executive Directors. There are no cash settlement alternatives. There are special provisions dealing with the lapsing or permitting the earlier exercise of options under certain circumstances including termination, bankruptcy, and death of the participant. The vesting period is two years. An option may be exercised in whole or in part, (i) after the first anniversary of the date of grant and if the subscription price is the Market Price; and (ii) after the second anniversary of the date of grant if the subscription price is at a discount to the Market Price.

On 29 April 2011, members of the Company approved, inter-alia, the extension of the Scheme for a further period of 10 years from 25 May 2011.

24B. Activities under the share options scheme

The outstanding number of options at the end of the year was:

Exercise price	Grant date	Exercise period	Number of shares options at 31 December 2011	2010
$0.0813	4 September 2007	From 4 September 2009 to 3 September 2012	1,600,000	2,400,000
$0.063	4 September 2007	From 4 September 2009 to 3 September 2017	12,150,000	17,350,000
Balance at end of the year			13,750,000	19,750,000

In August 2010, the Company issued and allotted 181,878,000 new ordinary shares ("Rights Shares") in the capital of the Company pursuant to a renounceable non-underwritten Rights Issue on the basis of one Rights Share for every one existing ordinary shares in the capital of the Company. The Rights Shares were offered at $0.055 per share and represented a discount to the fair value of existing shares of $0.12 per share on 27 July 2010, the last day on which the existing ordinary shares were traded together with the rights to exercise the Rights Shares on the Singapore Exchange Securities Trading Limited.

The Company has engaged an independent external valuer to provide a revised exercise price of the outstanding share options under the Scheme, following a dilution of the options arising from the issuance of the Rights Shares during the reporting year ended 31 December 2010.

Pursuant to the issuance of the Rights Shares, the exercise price of the outstanding options as at reporting year ended 31 December 2010 in the respective categories had been revised as follows:

Grant date	Exercise period	Exercise price	Revised exercise price
4 September 2007	From 4 September 2009 to 3 September 2012	$0.13	$0.0813
4 September 2007	From 4 September 2009 to 3 September 2017	$0.13	$0.063

The table below summarises the number of options that were outstanding and their weighted average exercise price as at the end of the year as well as the movements during the year.

	Number of share options 2011	2010	Weighted average exercise price 2011	2010
Outstanding at 1 January	19,750,000	21,100,000	$0.11	$0.13
Forfeited	(100,000)	(1,350,000)	$0.06	$0.13
Exercise of share options	(5,900,000)	–	$0.07	–
Outstanding at 31 December	13,750,000	19,750,000	$0.07	$0.11
Exercisable at 31 December	13,750,000	19,750,000	$0.07	$0.11

The share options under the Scheme had been fully vested as at 3 September 2009. During the reporting year, 100,000 share options previously granted to employees were forfeited as these employees had terminated their employment services.

24. SHARE BASED PAYMENT (CONT'D)

24B. Activities under the share options scheme (cont'd)

There was no option granted during the year.

The following table summarises the information on Directors' outstanding share options at 31 December 2011:

	Grants in 2011	Grants from start of scheme to end of 2011	Exercised from start of scheme to end of 2011	Balance at 31 Dec 2011
Participants				
Directors of the Company				
Wang Gee Hock	–	3,000,000	(1,000,000)	2,000,000 [a]
Prof Tan Chin Tiong	–	800,000	–	800,000 [b]
Tay Puan Siong	–	800,000	–	800,000 [b]
Assoc Prof Loh Han Tong [c]	–	800,000	(800,000)	– [b]
Total	–	5,400,000	(1,800,000)	3,600,000

[a] Exercise price of $0.063. Exercise period from 4 September 2009 to 3 September 2017.
[b] Exercise price of $0.0813. Exercise period from 4 September 2009 to 3 September 2012.
[c] Assoc Prof Loh Han Tong resigned on 29 February 2012.

No participant has received 5% or more of the total number of the options available under the Scheme except for one of the Directors, Mr Wang Gee Hock.

The following table summarises the information on employee and Directors' outstanding share options at 31 December 2011:

Exercise price	Number outstanding	Number exercisable	Weighted average remaining life (Years)
$0.0813	1,600,000	1,600,000	0.7
$0.063	12,150,000	12,150,000	5.7

24C. Accounting for the share options

Share options reserve	Group and Company 2011 $'000	Group and Company 2010 $'000
At beginning of the year	749	807
Forfeiture of share options – transferred to retained earnings	(42)	(58)
Exercise of share options	(212)	–
At end of the year	495	749

All the share options issued prior to the modification of the share options plan have expired as at 31 December 2006. Hence, modifications to the Scheme do not result in any changes in the fair value of these options.

The estimated fair value of each option issued is estimated by an independent external valuer using the Hull-White model for employee stock option valuation. In order to approximate the expectations that would be reflected in a current market or negotiated exchange price for these options, the calculation takes into consideration factors like behavioural considerations and non-transferability of the options granted.

24. SHARE BASED PAYMENT (CONT'D)

24C. Accounting for the share options (cont'd)

The fair value of the share options as at the date of the grant, using the Hull-White model, takes into account the following assumptions:

Date of grant	4 September 2007
Weighted average share price	$0.15
Weighted average exercise price	$0.13
Dividend yield expected	4.80%
Risk-free annual interest rates	2.74%
Volatility expected - determined by calculating the historical volatility of the Company's share price over the previous 4 years	38.90%
Expected option term of years, based on Management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations	7.9 years

Expected volatility was determined by calculating the historical volatility of the Company's share price over the previous 4 years preceding the date of grant. The expected life used in the model has been adjusted, based on Management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Pursuant to the issuance of Rights Shares (note 23) in the reporting year ended 31 December 2010, the following inputs were used to measure the revised exercise price of the outstanding share options, using the Black-Scholes Option Pricing Model:

Date of grant	4 September 2007
Weighted average share price	$0.15
Weighted average exercise price	$0.13
Dividend yield expected	2.90%
Risk-free annual interest rates	0.39%
Volatility expected - determined by calculating the historical volatility of the Company's share price over the past one year, before the dilution effects of the Rights Issue	57.69%
Expected option term of years, based on Management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations	7.9 years

25. OTHER RESERVES

Group	Statutory reserve[(a)] $'000	Share option reserve $'000	Foreign currency translation reserve [(b)] $'000	Total $'000
At 1 January 2011	3,821	749	(1,647)	2,923
Foreign currency translation differences	–	–	2,256	2,256
Exercise of share options (note 24)	–	(212)	–	(212)
Transfer from share options reserve to retained earnings (note 24)	–	(42)	–	(42)
Transfer from retained earnings to statutory reserve	367	–	–	367
Transfer to Disposal Group classified as held for sale	–	–	119	119
At 31 December 2011	4,188	495	728	5,411
At 1 January 2010	3,477	807	(296)	3,988
Foreign currency translation differences	–	–	(1,351)	(1,351)
Transfer from share options reserve to retained earnings (note 24)	–	(58)	–	(58)
Transfer from retained earnings to statutory reserve	344	–	–	344
At 31 December 2010	3,821	749	(1,647)	2,923

25. OTHER RESERVES (CONT'D)

Company	Share option reserve $'000
At 1 January 2011	749
Transfer of share option reserve to retained earnings (note 24)	(42)
Exercise of share options (note 24)	(212)
At 31 December 2011	495
At 1 January 2010	807
Transfer of share option reserve to retained earnings (note 24)	(58)
At 31 December 2010	749

(a) The subsidiaries incorporated in the People's Republic of China ("PRC") are required by the PRC regulations to appropriate 10% of the net profit after tax (after offsetting all recognised tax losses carried forward from previous financial years in accordance with the PRC Generally Accepted Accounting Principles) to statutory reserve. The appropriation to statutory reserve must be made before distribution of dividends to shareholders.

(b) The currency translation reserve accumulates all foreign exchange differences on translating the results and net assets of foreign operations during the year that the Group controls them.

All reserves classified on the face of the statement of financial position as retained earnings represents past accumulated earnings and are distributable. The other reserves are not available for cash dividends unless realised.

26. PROVISION

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Provision, total	702	1,171	–	–

This provision arose from the acquisition of a subsidiary in 2010 (note 30) for under-provision of certain taxes. An amount of $469,000 was reversed to other credit in profit or loss during the reporting year as it is no longer required.

27. OTHER FINANCIAL LIABILITIES

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Non-current				
Bank loans	14,687	7,908	14,687	7,908
Current				
Bank loans (secured)	9,118	7,881	–	–
Bank loans	13,859	23,552	9,114	15,298
Bills payable to banks (secured)	–	1,060	–	55
Sub-total	22,977	32,493	9,114	15,353
Total	37,664	40,401	23,801	23,261

27. OTHER FINANCIAL LIABILITIES (CONT'D)

The non-current portion is repayable as follows:

	Group and Company 2011 $'000	2010 $'000
Due within 2 to 5 years	14,687	7,908

All the amounts are at floating interest rates, except for the following that are on fixed interest rates.

	2011	2010
Borrowings – fixed rate	17,807	10,863

The repayment terms for the above bank loans are summarised as follows:

a) Repayable in equal monthly or quarterly instalments over a period of four years, commencing between August 2009 and January 2011; and

b) The principal amount of a bank loan is to be fully repaid in one lump sum in May 2016.

The range of floating interest rates were as follows:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Bank loans (secured)	7.02% to 7.81%	5.25% to 6.00%	–	–
Bank loans	1.77% to 7.87%	1.87% to 6.67%	1.77% to 5.00%	1.87% to 5.00%
Bills payable to banks (secured)	4.38%	4.38%	0.75% to 1.50%	0.75% to 1.50%

All the short-term borrowings carry floating rates of interest. The carrying amounts are assumed to be a reasonable approximation of fair values.

The credit facilities and borrowings for the Group were secured over the following:

i) Corporate guarantees provided by the Company;

ii) First legal charge and negative pledges on the subsidiaries' properties; and

iii) Negative pledges on certain inventories.

28. FINANCE LEASES

Group and Company	Minimum payments $'000	Finance charges $'000	Present value $'000
2011			
Minimum lease payments payable			
Due within one year	82	(7)	75
Due within 2 to 5 years	8	(2)	6
Total	90	(9)	81
Net book value of plant and equipment under finance leases			220

28. FINANCE LEASES (CONT'D)

Group and Company	Minimum payments $'000	Finance charges $'000	Present value $'000
2010			
Minimum lease payments payable			
Due within one year	82	(7)	75
Due within 2 to 5 years	90	(8)	82
Total	172	(15)	157
Net book value of plant and equipment under finance leases			244

Certain plant and equipment of the Company are under finance leases. The average lease term is 3 years. For the reporting year ended 31 December 2011, the fixed rate of interest for finance leases is about 3.3% (2010: 3.3%). All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. All lease obligations are denominated in Singapore Dollar. The obligations under finance leases are secured by the lessor's charge over the leased assets.

The carrying amount of the lease liabilities approximates the fair value.

29. TRADE AND OTHER PAYABLES

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Trade payables				
External parties and accrued liabilities	26,717	26,823	13,697	13,550
Subsidiary (note 3)	–	–	137	–
Sub-total	26,717	26,823	13,834	13,550
Other payables				
Deposits received	316	487	–	20
Other payables	3,370	3,284	1,208	1,269
Sub-total	3,686	3,771	1,208	1,289
Total trade and other payables	30,403	30,594	15,042	14,839

30. ACQUISITION OF SUBSIDIARY

On 14 May 2010, one of the subsidiaries, Superior Precision Moulds & Packaging Container (Shanghai) Co., Ltd ("SMPSH"), acquired 100% of the share capital of Zhejiang Gaote Metal Decorating Co., Ltd. ("ZGMD"). SMPSH paid a cash consideration of RMB 8.8 million or approximately $1.8 million. The transaction was accounted for by the acquisition method of accounting. The fair values were derived subsequent to completion of purchase price allocation performed by the Management with assistance from a professional valuer in 2010.

30. ACQUISITION OF SUBSIDIARY (CONT'D)

The net assets acquired and the related fair values are as follow:

Group	Pre-acquisition carrying amount under FRS 2010 $'000	At fair values 2010 $'000
Cash and cash equivalents	88	88
Trade and other receivables	39	39
Inventories	47	47
Intangible asset	–	290
Property, plant and equipment	2,621	3,631
Trade and other payables	(1,174)	(1,174)
Short-term borrowings	(841)	(841)
Provision – tax liabilities	–	(1,171)
Deferred tax liabilities	–	(32)
Net assets	780	877

The goodwill arising on acquisition is as follows:

	2010 $'000
Consideration	1,772
Fair value of identifiable net assets acquired	(877)
Goodwill arising on acquisition (note 16A)	895
Satisfied by:	
Consideration	1,772
Less: Cash taken over	(88)
Outstanding cash consideration not paid	(200)
Net cash outflow on acquisition	1,484

The goodwill arising from the acquisition of ZGMD was attributable to the anticipated future operating synergies from the combination.

The goodwill is not deductible for tax purposes.

The contributions from the acquired subsidiary for the period between the date of acquisition to the end of the reporting year 2010 were as follows:

	From date of acquisition in 2010 $'000	For the reporting year 2010 $'000
Revenue	1,327	1,470
Loss before income tax	(108)	(318)

Assuming that ZGMD was acquired on 1 January 2010, its revenue and net loss for the reporting year 2010 would have been $1,470,000 and $318,000 respectively.

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

31A. Classification of financial assets and liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS 39 categories:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Financial assets				
Cash and cash equivalents	16,851	14,769	7,589	6,182
Loans and receivables	38,418	38,721	25,302	23,500
Other financial assets	–	10	–	–
At end of the year	55,269	53,500	32,891	29,682
Financial liabilities				
Borrowings at amortised cost	37,745	40,558	23,882	23,418
Trade and other payables at amortised cost	30,087	30,107	15,042	14,819
At end of the year	67,832	70,665	38,924	38,237

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statements of financial position of the Group and Company.

31B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However, these are not formally documented in written form. The guidelines include the following:

i. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
ii. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
iii. All financial risk management activities are carried out and monitored by senior management staff.
iv. All financial risk management activities are carried out following good market practices.

The Group is exposed to currency and interest rate risks. There are no arrangements to reduce such risk exposures through derivatives and other hedging instruments.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

31C. Credit Risk on Financial Assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables, and other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial instruments; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any loan payable commitment at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counterparties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables, an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by Management. There is no significant concentration of credit risk, as the exposure is spread over a large number of counterparties and customers unless otherwise disclosed in the notes to the financial statements below.

As disclosed in note 22, cash and cash equivalents represent short term deposits with less than 90-day maturity.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 to 120 days (2010: 30 to 120 days). However, some customers take a longer period to settle the amounts.

(a) Ageing analysis of trade receivables amounts that are past due at the end of the reporting year but not impaired:

	Group		**Company**	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Less than 60 days	4,538	7,120	2,422	3,856
61-150 days	1,829	1,358	49	179
Over 150 days	348	114	1	4
At end of the year	6,715	8,592	2,472	4,039

(b) Ageing analysis as at the end of the reporting year of trade receivables amounts that are impaired:

	Group		**Company**	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables				
Over 180 days	417	376	100	89

There is no maturity for other receivables (note 19), which are normally with no fixed terms and other financial assets (note 20), which represent investment in quoted equity shares.

The allowance, which is disclosed in the note on trade receivables, is based on individual accounts totaling $0.42 million (2010: $0.38 million) for the Group and $0.10 million (2010: $0.09 million) for the Company, that are determined to be impaired at the end of reporting year. These are not secured.

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

31C. Credit Risk on Financial Assets (cont'd)

Concentration of trade receivable customers as at the end of the reporting year:

	Group and Company 2011 $'000	Group and Company 2010 $'000
Top 1 customer	4,392	4,356
Top 2 customers	7,816	6,982
Top 3 customers	9,873	9,427

31D. Liquidity risk

The following table analyses non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year $'000	1 – 3 years $'000	3 – 5 years $'000	Total $'000
2011				
Gross borrowings commitments	23,864	4,939	10,600	39,403
Gross finance lease obligations	82	8	–	90
Trade and other payables	30,087	–	–	30,087
At end of the year	54,033	4,947	10,600	69,580

Group	Less than 1 year $'000	1 – 3 years $'000	3 – 5 years $'000	Total $'000
2010				
Gross borrowings commitments	32,881	8,319	–	41,200
Gross finance lease obligations	82	90	–	172
Trade and other payables	30,107	–	–	30,107
At end of the year	63,070	8,409	–	71,479

Company	Less than 1 year $'000	1 – 3 years $'000	3 – 5 years $'000	Total $'000
2011				
Gross borrowings commitments	10,000	4,939	10,600	25,539
Gross finance lease obligations	82	8	–	90
Trade and other payables	15,042	–	–	15,042
At end of the year	25,124	4,947	10,600	40,671

Company	Less than 1 year $'000	1 – 3 years $'000	3 – 5 years $'000	Total $'000
2010				
Gross borrowings commitments	15,741	8,319	–	24,060
Gross finance lease obligations	82	90	–	172
Trade and other payables	14,819	–	–	14,819
At end of the year	30,642	8,409	–	39,051

The above amounts, as disclosed in the maturity analysis, are the contractual undiscounted cash flows and it differs from the amounts included in the statements of financial position of the Group and Company. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay. No claims on the financial guarantees were expected at the end of the reporting year.

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

31D. Liquidity risk (cont'd)

The following table shows the maturity analysis of the contingent liabilities:

Company	2011 $'000	2010 $'000
Financial guarantee contracts – in favour of subsidiaries	9,959	15,124
Undertaking to support subsidiaries with deficit	1,333	1,711
	11,292	16,835

The undiscounted amounts on the bank borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle non-related trade payables of the Group and Company is about 30 to 120 days (2010: 30 to 120 days).

The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

	Group		Company	
Bank Facilities	**2011 $'000**	**2010 $'000**	**2011 $'000**	**2010 $'000**
Undrawn borrowing facilities	65,860	53,315	58,020	48,148
Unutilised bank guarantees (unsecured)	4,475	5,332	4,475	4,972

The undrawn borrowing facilities are available for operating activities and settlement for other commitments. Borrowing facilities are maintained to ensure funds are available for the budgeted operations.

31E. Interest rate risk

The interest rate risk exposure is mainly related to changes in fixed and floating interest rates. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments (excluding derivatives) by types of interest rate:

	Group		Company	
	2011 $'000	**2010 $'000**	**2011 $'000**	**2010 $'000**
Financial liabilities				
Fixed rate	17,889	11,020	17,889	11,020
Floating rate	19,856	29,538	5,993	12,398
At end of the year	37,745	40,558	23,882	23,418

The floating rate debt obligations are with interest rates that are re-set regularly at one, three or six months intervals. The interest rates are disclosed in notes 27 and 28.

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

31E. Interest rate risk (cont'd)

	Group		Company	
Sensitivity analysis	**2011**	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
A hypothetical increase in interest rates by 100 basis points, with all other variables held constant, would have an adverse effect on pre-tax profit for the year by	(278)	(359)	(170)	(305)

The analysis has been performed separately for fixed interest rate financial liabilities and floating interest rate financial liabilities. The impact of a change in interest rates on fixed interest rate financial instruments has been assessed in terms of changing of their fair value. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on net expenses. The hypothetical changes in basis points are not based on observable market date (unobservable inputs).

31F. Foreign currency risk

Analysis of the Group and the Company's financial assets and liabilities denominated in non-functional currency:

Group 2011	**United States Dollar $'000**	**Chinese Renminbi $'000**	**Others $'000**	**Total $'000**
Financial assets				
Cash and cash equivalents	1,424	–	7	1,431
Trade and other receivables	8,058	99	15	8,172
Total financial assets	9,482	99	22	9,603
Financial liabilities				
Borrowings	5,994	–	–	5,994
Trade and other payables	6,205	41	73	6,319
Total financial liabilities	12,199	41	73	12,313
Net financial (liabilities)/assets at end of the year	(2,717)	58	(51)	(2,710)

Group 2010	**United States Dollar $'000**	**Chinese Renminbi $'000**	**Others $'000**	**Total $'000**
Financial assets				
Cash and cash equivalents	2,755	–	14	2,769
Trade and other receivables	8,673	–	51	8,724
Total financial assets	11,428	–	65	11,493
Financial liabilities				
Borrowings	5,803	–	–	5,803
Trade and other payables	7,891	72	20	7,983
Total financial liabilities	13,694	72	20	13,786
Net financial (liabilities)/assets at end of the year	(2,266)	(72)	45	(2,293)

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

31F. Foreign currency risk (cont'd)

Company 2011	United States Dollar $'000	Others $'000	Total $'000
Financial assets			
Cash and cash equivalents	1,341	7	1,348
Trade and other receivables	8,013	15	8,028
Total financial assets	9,354	22	9,376
Financial liabilities			
Borrowings	5,994	–	5,994
Trade and other payables	6,205	73	6,278
Total financial liabilities	12,199	73	12,272
Net financial liabilities at end of the year	(2,845)	(51)	(2,896)

Company 2010	United States Dollar $'000	Chinese Renminbi $'000	Others $'000	Total $'000
Financial assets				
Cash and cash equivalents	1,431	–	14	1,445
Trade and other receivables	10,292	276	55	10,623
Total financial assets	11,723	276	69	12,068
Financial liabilities				
Borrowings	5,803	–	–	5,803
Trade and other payables	7,891	–	20	7,911
Total financial liabilities	13,694	–	20	13,714
Net financial (liabilities)/assets at end of the year	(1,971)	276	49	(1,646)

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
A hypothetical 10% increase in the exchange rate of the functional currency $ against all other currencies with all other variables held constant would have a favourable effect on pre-tax profit of	271	229	290	165
A hypothetical 10% increase in the exchange rate of the functional currency $ against the US$ with all other variables held constant would have a favourable effect on pre-tax profit of	272	227	284	197
A hypothetical 10% increase in the exchange rate of the functional currency $ against the Chinese Renminbi with all other variables held constant would have a (adverse)/ favourable effect on pre-tax profit of	(6)	7	–	(28)

The above table shows sensitivity to a hypothetical 10% variation in the functional currency against the relevant foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies, there would be comparable impacts in the opposite direction on the profit or loss and reserves.

31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

31F. Foreign currency risk (cont'd)

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

There is an increased sensitivity to foreign currency rates caused by the decrease in foreign currency rates during the current reporting year.

In Management's opinion, the above sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposures do not reflect the exposures during the year.

32. CAPITAL COMMITMENTS

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Commitments to purchase plant and equipment	1,448	613	128	148

33. OPERATING LEASE PAYMENT COMMITMENTS

At the end of the reporting year, the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Not later than one year	712	929	271	302
Later than one year and not later than five years	1,464	2,074	837	1,079
Later than five years	6,087	8,650	6,087	6,099
Rental expenses for the year	994	1,782	351	503

Operating lease payments represent rentals payable by the Company and subsidiaries for leasehold land, certain factory properties and office equipment. The lease rental terms for the leasehold land and factory properties are negotiated for a term of 3 to 60 years and rentals are subject to an escalation clause but the amount of the rent increase is not expected to exceed a certain percentage.

34. EVENTS AFTER END OF THE REPORTING YEAR

On 14 February 2012, the Company announced the disposal of its interest in the Disposal Group (note 17).

35. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the reporting year ended 31 December 2011, the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require any material modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 1	Presentation of Financial Statements Disclosures (Amendments to)
FRS 24	Related Party Disclosures (revised)
FRS 27	Consolidated and Separate Financial Statements (Amendments to)
FRS 32	Classification Of Rights Issues (Amendments to)
FRS 34	Interim Financial Reporting (Amendments to)
FRS 103	Business Combinations (Amendments to)
FRS 107	Financial Instruments: Disclosures (Amendments to)
FRS 107	Financial Instruments: Disclosures (Amendments to) - Transfers of Financial Assets (*)
INT FRS 113	Customer Loyalty Programmes (Amendments to) (*)
INT FRS 114	Prepayments of a Minimum Funding Requirement (revised) (*)
INT FRS 115	Agreements for the Construction of Real Estate (*)
INT FRS 119	Extinguishing Financial Liabilities with Equity Instruments (*)

(*) Not relevant to the entity.

36. FUTURE CHANGES IN FINANCIAL REPORTING STANDARDS

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 1	Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income	1 Jul 2012
FRS 12	Deferred Tax (Amendments to) – Recovery of Underlying Assets (*)	1 Jan 2012
FRS 19	Employee Benefits	1 Jan 2013
FRS 27	Consolidated and Separate Financial Statements (Amendments to)	1 Jul 2011
FRS 27	Separate Financial Statements	1 Jan 2013
FRS 28	Investments in Associates and Joint Ventures (*)	1 Jan 2013
FRS 107	Financial Instruments: Disclosures (Amendments to) - Transfers of Financial Assets (*)	1 Jul 2011
FRS 110	Consolidated Financial Statements	1 Jan 2013
FRS 111	Joint Arrangements (*)	1 Jan 2013
FRS 112	Disclosure of Interests in Other Entities (*)	1 Jan 2013
FRS 113	Fair Value Measurements	1 Jan 2013

(*) Not relevant to the entity.

APPENDIX 5

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR HY2012

The unaudited consolidated financial statements of the Group for HY2012 set out on pages 120 to 132 of this Circular have been extracted from the announcement by the Company on 10 August 2012, and were not specifically prepared for inclusion in this Circular.

SUPERIOR MULTI - PACKAGING LIMITED
Registration Number: 197902249R

UNAUDITED HALF YEAR FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2012

Part I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF- YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT

	2012 Jan-Jun S$ '000	2011 Jan-Jun S$ '000	Increase/ (Decrease) %
Revenue	79,591	88,393	(10.0)
Cost of sales	(70,763)	(78,491)	(9.8)
Gross profit	8,828	9,902	(10.8)
Other items of income			
Interest income	29	21	38.1
Other credits	2,146	2,507	(14.4)
Other items of expense			
Distribution costs	(2,728)	(2,607)	4.6
Administrative expenses	(4,998)	(6,049)	(17.4)
Finance costs	(955)	(677)	41.1
Other charges	(394)	(872)	(54.8)
Profit before tax	**1,928**	**2,225**	(13.3)
Income tax expense	(470)	(621)	(24.3)
Profit net of tax	**1,458**	**1,604**	(9.1)
Profit attributable to owners of parent, net of tax	1,472	1,615	(8.9)
Loss attributable to non-controlling interest, net of tax	(14)	(11)	27.3
Profit net of tax	**1,458**	**1,604**	(9.1)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit net of tax	1,458	1,604	(9.1)
Other comprehensive income/ (loss) for the period, net of tax			
Exchange differences on translating foreign operations	(1,924)	(2,252)	(14.6)
Total comprehensive income/ (loss) for the period, net of tax	(466)	(648)	(28.1)
Total comprehensive income/ (loss) attributable to:			
Owners of parent, net of tax	(452)	(637)	(29.0)
Non-controlling interest, net of tax	(14)	(11)	27.3
Total comprehensive income/ (loss) for the period, net of tax	**(466)**	**(648)**	(28.1)

Earnings per share

	Cents	Cents
Basic	0.40	0.44
Diluted	0.40	0.43

NOTE TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2012 Jan-Jun S$ '000	2011 Jan-Jun S$ '000
Foreign exchange adjustment losses	(165)	(390)
Other income including interest income	2,175	2,528
Interest expenses	(955)	(677)
Gain on disposal of plant and equipment	30	3
Depreciation and amortisation	(2,806)	(3,047)
Allowance for impairment on trade receivables	(4)	(32)
Allowance for impairment on inventories	(300)	(271)
Inventories written off	(3)	(119)
Allowance for construction contracts	-	(67)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	30 Jun 2012 S$ '000	31 Dec 2011 S$ '000	30 Jun 2012 S$ '000	31 Dec 2011 S$ '000
Assets				
Non-current assets				
Property, plant and equipment	50,724	53,311	14,651	15,239
Investments in subsidiaries	-	-	50,797	50,797
Intangible assets	2,333	2,340	-	-
Deferred tax assets	65	75	-	-
Total non-current assets	**53,122**	**55,726**	**65,448**	**66,036**
Current assets				
Assets of Disposal Group classified as held for sale	-	3,694	-	117
Inventories	34,130	38,384	13,914	16,256
Trade and other receivables	47,467	38,418	27,678	25,302
Other assets	6,494	6,441	611	297
Cash and cash equivalents	7,137	16,851	1,873	7,589
Total current assets	**95,228**	**103,788**	**44,076**	**49,561**
Total assets	**148,350**	**159,514**	**109,524**	**115,597**
EQUITY AND LIABILITIES				
Equity attributable to owners of parent				
Share capital	55,619	55,619	55,619	55,619
Retained earnings	25,317	24,415	18,778	19,273
Other reserves	3,503	5,411	495	495
Reserve of Disposal Group classified as held for sale	-	(119)	-	-
Equity attributable to owners of the parent, total	**84,439**	**85,326**	**74,892**	**75,387**
Non-controlling interest	(17)	33	-	-
Total equity	**84,422**	**85,359**	**74,892**	**75,387**
Non-current liabilities				
Deferred tax liabilities	1,330	1,268	1,298	1,236
Finance leases	-	6	-	6
Other financial liabilities	13,102	14,687	13,102	14,687
Total non-current liabilities	**14,432**	**15,961**	**14,400**	**15,929**
Current liabilities				
Liabilities of Disposal Group classified as held for sale	-	3,912	-	-
Provision	702	702	-	-
Income tax payable	181	125	50	50
Trade and other payables	25,697	30,403	10,284	15,042
Finance leases	44	75	44	75
Other financial liabilities	22,872	22,977	9,854	9,114
Total current liabilities	**49,496**	**58,194**	**20,232**	**24,281**
Total liabilities	**63,928**	**74,155**	**34,632**	**40,210**
Total equity and liabilities	**148,350**	**159,514**	**109,524**	**115,597**

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

Amount repayable in one year or less, or on demand

As at 30 Jun 2012		As at 31 Dec 2011	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
9,264	13,652	9,269	16,083

Amount repayable after one year

As at 30 Jun 2012		As at 31 Dec 2011	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
-	13,102	6	14,687

Details of any collaterals

Certain items of the Group's property, plant and equipment at a carrying value of S$15,169,000 (31 Dec 2011: S$15,866,000) are pledged as security for the bank facilities.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	2012 Jan - Jun S$ '000	2011 Jan - Jun S$ '000
Cash flows from operating activities		
Profit before tax	1,928	2,225
Depreciation of property, plant and equipment	2,799	3,032
Amortisation of other intangible assets	7	15
Interest income	(29)	(21)
Interest expense	955	677
Loss/(gain) on disposal of property, plant & equipment	(30)	(3)
Fair value gain on other financial assets	-	(4)
Net effect of exchange rate changes in consolidating foreign operations	(1,502)	(978)
Operating cash flows before changes in working capital	**4,128**	**4,943**
Trade and other receivables	(9,612)	(1,385)
Other assets	(54)	(1,232)
Inventories	4,254	4,614
Trade and other payables	(4,497)	(1,711)
Net cash flows from operations before interest and tax	**(5,781)**	**5,229**
Income taxes paid	(349)	(584)
Net cash flows (used in)/from operating activities	**(6,130)**	**4,645**
Cash flows from investing activities		
Disposal of property, plant and equipment	338	619
Purchase of property, plant and equipment	(1,366)	(2,885)
Received from exercise of share options	-	386
Disposal of subsidiary, net of cash disposed	(248)	-
Interest received	29	21
Net cash flows used in investing activities	**(1,247)**	**(1,859)**
Cash flows from financing activities		
Dividends paid to equity owners	(554)	(1,104)
Repayment of bank borrowings	(8,723)	(4,066)
Increase in new borrowings	7,585	2,422
Finance lease repayments	(38)	(38)
Interest paid	(955)	(677)
Net cash flows used in financing activities	**(2,685)**	**(3,463)**
Net decrease in cash and cash equivalents	(10,062)	(677)
Cash and cash equivalents, statement of cash flows, beginning balance	17,199	14,769
Cash and cash equivalents, statement of cash flows, ending balance	**7,137**	**14,092**
Cash and cash equivalents comprise the following:		
Cash at bank and on hand	7,137	14,092
Less: bank overdrafts	-	-
	7,137	14,092

1(c)(ii) Disposal of subsidiary

The following table summarises the carrying value of the assets and liabilities of the subsidiary.

	S$'000
Plant and equipment	2,508
Investment	10
Inventories	162
Other assets	1,078
Trade and other receivables	465
Cash and cash equivalents	348
Trade and other payables	(1,612)
Other financial liabilities	(2,300)
Net assets disposed of, before re-measurement loss*	**659**
Loss on disposal	(559)
Consideration from disposal	**100**
Group's dividend receivable - part of proceed from disposal	1,029
Aggregate proceeds from disposal	**1,129**
Group's net cash inflow/(outflow) arising from disposal of subsidiary	
Aggregate proceeds from disposal	1,129
Cash balance disposed of	(348)
Cash inflow from disposal	781
Outstanding proceeds from disposal - Group's dividend receivable	(1,029)
Net of cash outflow for the reporting period (1HFY2012)	**(248)**
Net impact of disposal of subsidiary	
Loss on disposal	(559)
Undertaking of debt owing to Disposal Group	(318)
Net loss on disposal of subsidiary*	**(877)**

* Disclosed as loss recognised on re-measurement to fair value less costs to sell and was accounted under "Discontinued Operations of Disposal Group classified as Held for Sale" in the financial year ended 31 December 2011.

1(d)(i) A statement (for the issuer and group) showing either
(i) all changes in equity or
(ii) changes in equity other than those arising from capitalization 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

Group	Share capital	Statutory reserve	Share option reserve	Foreign currency translation reserve	Reserve of Disposal Group held for sale	Retained earnings	Parent sub-total	Minority interest	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2011									
Opening balance at 1 Jan 2011	**55,021**	**3,821**	**749**	**(1,647)**	**-**	**24,032**	**81,976**	**60**	**82,036**
Dividends paid	-	-	-	-	-	(1,104)	(1,104)	-	(1,104)
Share option exercised	598	-	(212)	-	-	-	386	-	386
Total comprehensive (loss)/income for the period	-	-	-	(2,252)	-	1,615	(637)	(11)	(648)
Transfer from retained earnings to statutory reserves	-	-	(43)	-	-	43	-	-	-
Closing balance at 30 Jun 2011	**55,619**	**3,821**	**494**	**(3,899)**	**-**	**24,586**	**80,621**	**49**	**80,670**
2012									
Opening balance at 1 Jan 2012	**55,619**	**4,188**	**495**	**728**	**(119)**	**24,415**	**85,326**	**33**	**85,359**
Dividends paid	-	-	-	-	-	(554)	(554)	-	(554)
Total comprehensive (loss)/income for the period	-	-	-	(1,924)	-	1,472	(452)	(14)	(466)
Disposal of subsidiary, previously classified as held for sale under Disposal Group	-	-	-	-	119	-	119	(36)	83
Transfer from retained earning to capital reserve	-	16	-	-	-	(16)	-	-	-
Closing balance at 30 Jun 2012	**55,619**	**4,204**	**495**	**(1,196)**	**-**	**25,317**	**84,439**	**(17)**	**84,422**

Company	**Share capital**	**Share option reserve**	**Retained earnings**	**Total equity**
	S$'000	**S$'000**	**S$'000**	**S$'000**
2011				
Opening balance at 1 Jan 2011	**55,021**	**749**	**19,003**	**74,773**
Dividends paid	-	-	(1,104)	(1,104)
Share option exercised	598	(212)	-	386
Total comprehensive income for the period	-	-	563	563
Transfer from share option reserve to retained earnings	-	(43)	43	-
Closing balance at 30 Jun 2011	**55,619**	**494**	**18,505**	**74,618**
2012				
Opening balance at 1 Jan 2012	**55,619**	**495**	**19,273**	**75,387**
Dividends paid	-	-	(554)	(554)
Total comprehensive income for the period	-	-	59	59
Closing balance at 30 Jun 2012	**55,619**	**495**	**18,778**	**74,892**

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, against the total number of issued shares excluding treasury shares of the issuer, 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.

On or about 27 August 2010, the Company issued 181,878,000 new ordinary shares ("Rights Shares") in the capital of the Company pursuant to a renounceable non-underwritten rights issue on the basis of one (1) Rights Share for every one (1) existing ordinary shares in the capital of the Company.

As announced on 23 February 2011 in connection with the Rights Issue, the exercise price of the share options granted pursuant to the Scheme has been adjusted as follows:-

Grant Date	Exercise Period	Original Exercise Price	Re-priced Exercise Price
4 Sep 2007	From 4 Sep 2009 to 3 Sep 2012	S$0.13	S$0.0813
4 Sep 2007	From 4 Sep 2009 to 3 Sep 2017	S$0.13	S$0.063

The above adjustments have been reviewed by the Company's auditors and they opined that the revised exercise prices are fair and reasonable.

As at 30 June 2012, there were 13,750,000 (31 Dec 2011: 13,750,000) unissued ordinary shares under the Superior Multi-Packaging (2001) Executives' Share Option Scheme ("Scheme").

No options were granted under the Scheme during the financial period.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares as at 30 June 2012 is 369,656,000 shares (31 December 2011 :369,656,000 shares).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/ or use of treasury shares as at the 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 nor reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 Paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements as at 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.

The adoption of the new and revised FRS did not have any significant impact to the Group's financial statements for the period ended 30 June 2012.

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:-

(a) Based on the weighted average number of ordinary share on issue; and

(b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
Earnings per ordinary share for the period based on net profit attributable to shareholders:-	**30 Jun 2012**	**30 Jun 2011**
(a) Based on the weighted average number of ordinary share on issue	0.40 cents	0.44 cents
- Weighted average number of shares	369,656,000	366,066,497
(b) On a fully diluted basis	0.40 cents	0.43 cents
- Adjusted weighted average number of shares	370,857,172	371,181,417

7 Net asset value (for the issuer and group) per ordinary share based on the 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.

	Group		**Company**	
	Half year ended 30 Jun 2012	**Year ended 31 Dec 2011**	**Half year ended 30 Jun 2012**	**Year ended 31 Dec 2011**
Net asset value per ordinary share based on issued share capital at the end of the financial period	22.84 cents	23.08 cents	20.26 cents	20.39 cents

The net asset value per ordinary share at the end of the current period and immediately preceding financial year have been calculated based on 369,656,000 issued shares.

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.

Review of Group Performance

Revenue

The Group's revenue for the financial period ended 30 June 2012 ("1HFY2012") decreased 10.0% to S$79.6 million mainly due to a slowdown in China's manufacturing sector resulting in lower demands.

For revenue by geographical segments, Singapore market contributed S$38.7 million while the China market generated S$37.0 million, the aggregate of which accounted for 95.1% of the Group's revenue. For other operations in India, Vietnam and the Philippines, revenue increased by 7.1% to S$3.9 million for 1HFY2012.

Revenue for the metal packaging business decreased from S$56.1 million to S$50.5 million accounting for 63.4% of the Group's revenue. Sales volumes decreased by approximately 14.3% to 22.1 million units of container cans, pails and drums as compared to previous corresponding period. The flexible packaging business remains relatively stable with revenue of S$28.0 million, representing 35.1% of the Group's revenue for the period under review.

Profitability

Gross profit decreased 10.8% to S$8.8 million (1HFY2011: S$9.9 million) as a result of the lower sales volume.

Other credits decreased 14.4% to S$2.1 million, a result of lower scrap sales arising from the decrease in Group's revenue.

Distribution costs remained relatively unchanged at S$2.7 million for both reporting periods.

Administrative expenses fell by S$1.0 million or 17.4% from S$6.0 million in 1HFY2011 to S$5.0 million in 1HFY2012 primarily due to a decrease in personnel related costs and the absence of approximately S$0.5 million expenses for subsidiaries being disposed in early 2012.

Finance costs were up by 41.1% to S$0.96 million due mainly to higher usage of fixed rate term loans where interest charges are higher.

Other charges decreased 54.8% to S$0.4 million, a result of lower exchange loss and inventories written off.

Net profit after tax decline by 9.1% to S$1.5 million in 1HFY2012, as compared to S$1.6 million in 1HFY2011.

Statement of Financial Position and Cash Flow Analysis

Total assets decreased 7.0% to S$148.4 million as at 30 June 2012 from S$159.5 million as at 31 December 2011. Total liabilities decreased 13.8% to S$63.9 million as at 30 June 2012 from S$74.2 million as at 31 December 2011.

Trade and other receivables increased by S$9.0 million to S$47.5 million as at 30 June 2012 from S$38.4 million as at 31 December 2011 due mainly to extension of credit term to a major customer of the Group.

In line with the reduction in revenue, inventories dropped by S$4.3 million to S$34.1 million which led to a reduction in trade and other payables balances of S$4.7 million to S$25.7 million.

In 1HFY2012, the Group recorded a net cash outflow from operating activities of S$6.1 million primarily due to the increase in trade receivables. Net cash outflows from investing activities stood at S$1.2 million largely due to the upgrading of equipment.

Net cash outflows from financing activities stood at S$2.7 million, mainly due to the increase of net repayment of bank borrowings of S$1.1 million, dividend and interest payment of S$1.5 million.

Cash and cash equivalents amounted to S$7.1 million as at 30 June 2012, down from S$14.1 million as at 30 June 2011. The Group maintained a relatively healthy financial position as at 30 June 2012 with a net gearing ratio at 34.2%, as compared to 24.5% at 31 December 2011.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

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.

Macro uncertainty continues to persist given the slowdown in China's economy. Business conditions are expected to soften across the various relevant industries. Volatility in raw materials prices and increasing inflationary pressures continue to be a growing concern.

The Group will continue to be selective in growing along with its long-standing MNC customers in a cautious and prudent manner, rationalize operations, manage headcount to cut cost and conserve cash.

11 If a decision regarding dividend has been made:-

(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) The date the dividend is payable

Not Applicable.

(d) Books closure date

Not Applicable.

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

Not Applicable.

Part II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not Applicable.

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not Applicable.

15 A breakdown of sales as follows:-

Not Applicable.

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and previous full year as follows.

Not Applicable.

17 Interested Person Transactions

Aggregate value of all transactions conducted under a shareholders' mandate# pursuant to Rule 920 of the SGX Listing Manual

	Group	
Transactions for the sale of goods and services	**Half year ended 30 Jun 2012 S$'000**	**Half year ended 30 Jun 2011 S$'000**
Nippon Paint Group	-	6,305

As announced on 2nd March 2011, Nippon Paint Group ceased as substantial shareholder of the Company.
The shareholders' mandate expired on 29 April 2011.

18 Comparative Figures

Following a reassessment of the nature and classification of the comparative figures, certain comparative figures have been reclassified to reflect the nature of these items more appropriately.

Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual of SGX-ST

On behalf of the Board of Directors of the Company, we the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the first half ended 30 June 2012 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors,

Prof Tan Chin Tiong
Director

Wang Gee Hock
Director

BY ORDER OF THE BOARD

Juliana Lee/ Liew Meng Ling
Joint Company Secretaries
10 August 2012

APPENDIX 6

SELECTED TEXTS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

The rights of Shareholders in respect of capital, dividends and voting as set out in the Company's Articles of Association are reproduced below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Company's Articles of Association.

RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL

ISSUE OF SHARES

4. Subject to these presents, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Article 8, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over shares or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, provided always that:-

(a) no shares shall be issued at a discount except in accordance with the Statutes;

(b) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Article 8(A) with such adaptations as are necessary shall apply; and

(c) any other issue of shares, the aggregate of which would exceed the limits referred to in Article 8(B), shall be subject to the approval of the Company in General Meeting.

5. (A) In the event of preference shares being issued the total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares and preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears.

(B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

VARIATION OF RIGHTS

6. (A) Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these presents relating to General Meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a

poll and that every such holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters in nominal value of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

(B) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects <u>pari passu</u> therewith but in no respect in priority thereto.

(C) The repayment of preference capital other than the redemption of redeemable preference shares shall be subject to the approval of a Special Resolution passed at a separate General Meeting of the holders of the affected shares and the provisions of Article 6(A) relating to the passing of such a Special Resolution, shall <u>mutatis mutandis</u>, apply.

ALTERATION OF SHARE CAPITAL

7. The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

8. (A) Subject to any direction to the contrary that may be given by the Company in General Meeting, all new shares shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 8(A).

(B) Notwithstanding Article 8(A) above, the Company may, by Ordinary Resolution in General Meeting, give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:-

(a) (i) issue shares in the capital of the Company (referred to in this Article as "shares") whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force, provided that:-

(1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) does not exceed 50 per cent. (or such other limit as may be prescribed by the Singapore Exchange Securities Trading Limited of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rate basis to members of the Company (including shares to be issued In pursuance of Instruments made or granted pursuant to the Ordinary Resolution) does not exceed 20 per cent. (or such other limit as may be prescribed by the Singapore Exchange Securities Trading Limited) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purposes of determining the aggregate number of shares that may be issued under sub-paragraph (A) above the percentage of issued share capital shall be based on the issued share capital of the Company at the time that the Ordinary Resolution is passed, after adjusting for:-

(i) new shares arising upon the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that the Ordinary Resolution is passed; and

(ii) any subsequent consolidation or subdivision of shares;

(c) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance is waived by the Singapore Exchange Securities Trading Limited) and these presents;

(d) unless previously revoked or varied by the Company in General Meeting, such authority to issue shares does not continue beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution or the date by which such Annual General Meeting is required to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).

(C) Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

9. The Company may by Ordinary Resolution:-

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled;

(c) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares;

(d) subject to the provisions of the Statutes, convert any class of shares into any other class of shares.

10. (A) The Company reduce its share capital or any capital redemption reserve fund, share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.

(B) The Company may, subject to and in accordance with the Act, purchase or otherwise acquire shares in the issued share capital of the Company on such terms and in such manner as the Company may from time to time think fit. Any share that is so purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition. On the cancellation of a share as aforesaid, the rights and privileges attached to that share shall expire, and the nominal amount of the issued share capital of the Company shall be diminished by the nominal amount of the shares so cancelled.

SHARES

11. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (as the case may be) person whose name is entered in the Depository Register in respect of that share.

12. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes the Company may issue preference shares which are, or at the option of the Company are liable, to be redeemed.

13. Subject to the provisions of these presents and of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

14. The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted provided that the rate or amount of the commissions paid or agreed to be paid shall be disclosed in the manner required by the Statutes. Such commissions may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

15. Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within 10 market days of the closing date (or such other period as may be approved by any Stock Exchange upon which the shares in the Company may be listed) of any such application. “Market day” shall have the meaning ascribed to it in Article 18. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

CAPITALISATION OF PROFITS AND RESERVES

132. The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 8 (B)), capitalise any sum standing to the credit of any of the Company's reserve accounts (including Share Premium Account, Capital Redemption Reserve Fund or other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on the date of the Resolution (or such other date as may be specified therein or determined as therein provided) or (in the case of an Ordinary Resolution passed pursuant to Article 8(B)) such other date as may be determined by the Directors in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

RIGHTS OF SHAREHOLDERS IN RESPECT OF VOTING

PROCEEDINGS AT GENERAL MEETINGS

55. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.

56. No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy.

57. If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the directors may by not less than ten days' notice appoint. At the adjourned meeting any one or more members present in person or by proxy shall be a quorum.

58. The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

59. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

60. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

61. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:-

(a) the chairman of the meeting; or

(b) not less than two members present in person or by proxy and entitled to vote; or

(c) a member or members, present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(d) a member or members, present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid on all the shares conferring that right;

Provided always that no poll shall be demanded on the choice of a chairman or on a question of adjournment.

62. A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is required a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute, book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

63. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.

64. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

65. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company each member entitled to vote may vote in person or by proxy. On a show of hands every member who is present in person and each proxy shall have one vote and on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents. For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

66. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register in respect of the share.

67. Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.

68. No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.

69. No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

70. On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

71. (A) A member may appoint not more than two proxies to attend and vote at the same General Meeting provided that if the member is a Depositor, the Company shall be entitled and bound:-

(a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company; and

(b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

(B) The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.

(C) In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(D) A proxy need not be a member of the Company.

72. (A) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:-

(a) in the case of an individual shall be signed by the appointor or his attorney; and

(b) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

(B) The signature on such instrument need not be witnessed, where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument may be treated as invalid.

73. An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

74. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.

75. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

CORPORATIONS ACTING BY REPRESENTATIVES

76. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these presents be deemed to be present in person at any such meeting if a person so authorised is present thereat.

RIGHTS OF SHAREHOLDERS IN RESPECT OF DIVIDENDS

RESERVES

120. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions of the Statutes.

DIVIDENDS

121. The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

122. If and so far as in the opinion of the Directors the profits of the company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

123. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

124. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

125. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

126. (A) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

127. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

128. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

129. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Article and the provisions of Article 131, the payment by the Company to the Depository of any dividend payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.

130. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

131. Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.

APPENDIX 7

VALUATION SUMMARY

The valuation summary in respect of the properties owned by the Group is set out on pages 143 to 156 of this Circular. The full valuation reports of the respective properties are available for inspection at the registered office of the Company at 80 Robinson Road, #18-03, Singapore 068898 during normal business hours for the period which the Offer remains open for acceptance.

Cushman & Wakefield VHS Pte. Ltd.
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30 August 2012

The Board of Directors
Superior Multi-Packaging Limited
7 Benoi Sector
Singapore 629842

Dear Sirs,

VALUATION OF THE PORTFOLIO OF INDUSTRIAL PROPERTIES COMPRISING:

1. **7 BENOI SECTOR, SINGAPORE 629842;**
2. **429 LI HANG ROAD, WANGQIAO INDUSTRIAL PARK, PUDONG NEW DISTRICT, SHANGHAI, THE PEOPLE'S REPUBLIC OF CHINA;**
3. **DONGJIANG AVENUE, DONGJIANG INDUSTRIAL ZONE, SHUIKOU TOWN, HUIZHOU, GUANGDONG PROVINCE, THE PEOPLE'S REPUBLIC OF CHINA;**
4. **30 QUANXING ROAD, LANGFANG ECONOMIC & TECHNICAL DEVELOPMENT ZONE, LANGFANG, HEBEI PROVINCE, THE PEOPLE'S REPUBLIC OF CHINA;**
5. **10 TAIYUAN ROAD, TIANJIN JINBIN INDUSTRIAL PARK, WUQING DISTRICT, TIANJIN,THE PEOPLE'S REPUBLIC OF CHINA;** and
6. **309 TONGYU ROAD, TUDIAN TOWN LIGHT TEXTILE INDUSTRIAL PARK, TONGXIANG, JIAXING, ZHEJIANG PROVINCE, THE PEOPLE'S REPUBLIC OF CHINA**
(to be collectively known as "the properties")

Cushman & Wakefield VHS Pte Ltd ("C&W") have been instructed by **Superior Multi-Packaging Limited.** ("SMPL") to provide the Market Value (as defined herein) and formal valuation report of each of the above captioned properties ("the Properties") for disclosure in the circular to shareholders purposes. We have been specifically instructed to provide our opinion of the market value of the Properties as at 30 June 2012 (the "valuation date"), assuming sale with the benefit of vacant possession and it is being free from any encumbrances.

C&W have prepared formal valuation reports (the "Reports") in accordance with the requirements of the instructions and our valuation has been prepared in accordance with the requirements set out in the International Valuation Standards (2011) published by the International Valuation Standards Council and effective from 1 June 2011; and the RICS Valuation – Professional Standards (March 2012) Published by the Royal Institution of Chartered Surveyors (the "Red Book").

The term 'Market Value' as used in the context of this valuation is defined as 'the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion'.

Our valuation has been made on the assumption that the seller sells the Properties in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the Properties.

As the Properties are held under long term leasehold interest or land use rights, we have assumed that the owner has free and uninterrupted rights to use the Properties for the whole of the unexpired term of the leasehold interest or land use rights.

In the course of the valuation, we have assumed that all the leases and agreements are legally valid and enforceable and the Properties have proper legal titles that can be freely transferable, leased and sub-leased in the market without being subject to any land premium or any extra charges, unless otherwise stated. Also, we have assumed that the Properties have been constructed, occupied and used in full compliance with, and without contravention of, all ordinances or covenants, and all required licences, permits, certificates and authorizations have been obtained from the local authorities, except only where otherwise stated.

No allowance has been made in our reports for any charges, mortgages or amounts owing on the Properties valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature, which would affect their values.

We have relied to a very considerable extent on the information provided by SMPL, in particular, but not limited to, land leases/tenure, planning approvals, particulars of occupancy, floor areas, identification of the Properties all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the SMPL. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We have been, in some instances, provided by SMPL with copies of various title documents including State-owned Land Use Rights Grant Contract, State-owned Land Use Right Certificate, Building Ownership Certificates, Realty Title Certificate and official plans relating to the property interests in the People's Republic of China (the "PRC"); and the land leases, land rent statement and Certificate of Completion in Singapore and have made relevant enquiries. However, we have not searched the original documents nor have we verified the existence of any lease amendments, which do not appear in the documents available to us. All documents have been used for reference only.

In addition, we have not been provided with the relevant details on the encumbrances that are attached to the subject properties (if any). We are therefore unable to comment on any related matters and strongly advise that a legal opinion should be sought regarding the legality, transferability of title and the existence of any current or potential encumbrances attached to the properties.

We have inspected the exterior and, where possible, the interior of the Properties in August 2012. However,no structural survey was made, but in the course of our inspections, we did not note any serious defects to the Properties. We are not, however, able to report that the Properties are free from rot, infestation or any structural defect. No tests were carried out to any of the services.

We have also not carried out investigations on site in order to determine the suitability of ground conditions, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the Properties but have assumed that the areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

Valuation Approaches

In arriving at our opinion of Market Value of the Properties, we have adopted the Direct Comparison Approach and Capitalization Method where appropriate. For the buildings in the PRC without proper title certificate, we have also adopted Depreciated Replacement Cost Approach to assess the building values for reference purpose.

Capitalization Method

We have cross-checked the property interests using the capitalization method by capitalizing the gross or net income, where applicable, at an appropriate capitalization rate over the remaining lease term or tenure. Capitalization rate was obtained by comparing capitalization rates of similar properties in market transactions, where available. Alternatively, the term and reversion approach may be used by taking into account the rental income of the property derived from the existing tenancy with due allowance for the reversionary income potential, which are then capitalised into the value at an appropriate capitalisation rate.

Direct Comparison Method

Where appropriate, we have cross-checked the property interests by the sales comparison approach by making reference to comparable sale transactions as available in the relevant market. Appropriate adjustments are made for any differences between the property and the comparable.

Depreciated Replacement Cost Approach

Where appropriate, we have also cross-checked the property interests by the cost approach by deducting the accrued depreciation from the reproduction cost.

Our valuations have been undertaken on a Goods and Services Tax or Consumption Tax exclusive basis.

Summary of Values

No.	Property Address	Market Value in Existing State as at 30 June 2012 in Renminbi (RMB)	Market Value in Existing State as at 30 June 2012 in Singapore Dollar (SGD)
1.	7 Benoi Sector, Singapore 629842	N/A	SGD26,500,000
2.	429 Lihang Road, Wangqiao Industrial park, Pudong New District, Shanghai, the PRC	RMB56,500,000	SGD11,294,350
3.	Dongjiang Avenue, Dongjiang Industrial Zone, Shuikou Town, Huizhou, Guangdong Province, the PRC	RMB12,100,000	SGD2,418,790
4.	30 Quanxing Road, Langfang Economic & Technical Development Zone, Langfang, Hebei Province, the PRC	RMB28,600,000	SGD5,717,140
5.	10 Taiyuan Road, Tianjin Jinbin Industrial Park, Wuqing District, Tianjin, the PRC	RMB60,000,000	SGD11,994,000
6.	309 Tongyu Road, Tudian Town Light Textile Industrial Park, Tongxiang, Jiaxing, Zhejiang Province, the PRC	RMB9,300,000	SGD1,859,070

Note: Based on exchange rate of RMB1 = SGD0.1999 as at 30 June 2012.

More property details may be found in the Valuation Certificates attached hereto.

Reliance on This Letter

For the specific purposes of disclosure in the circular to shareholders, we have instructed to provide a Valuation Summary with brief descriptions of the Properties together with the key factors that have been considered in arriving at the opinion of value of the Properties. The value conclusions reflect all information that is known by the valuers of C&W who worked on the valuations in respect to the Properties, market conditions and available data.

This letter together with its attachments is a summary of the full Reports that we have prepared and it does not contain all the necessary information and assumptions that are included in the Reports. Further reference may be made to the Reports, copies of which are held by SMPL.

Disclaimer

We have prepared this Valuation Summary that appears in the circular to shareholders and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the circular to shareholders, other than in respect of the information provided within the valuation reports and summary. We do not make any warranty or representation as to the accuracy of the information in any part of the circular to shareholders other than as expressly made or given in this valuation summary.

All information provided to us by SMPL is treated as correct and true and we accept no responsibility for subsequent changes in information and reserve the right to change our valuation if any information provided were to materially change.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions.

We have no present or prospective interest in the Properties and are not a related corporation of nor do we have a relationship with the property owner(s) or other party/parties whom SMPL is contracting with.

The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that the valuers undertaking the valuation are authorized to practice as valuers and have the necessary experience in valuing similar types of properties.

Yours faithfully,
CUSHMAN & WAKEFIELD VHS PTE. LTD.

Toby C Dodd
MRICS
Executive Director

Chew May Yenk
Director, Valuation & Advisory, Singapore
MSISV, Licensed Appraiser No AD41-2004419H

Vincent K. C. Cheung
National Director, Valuation & Advisory,
Greater China
Bsc (Hons) MBA MHKIS MRICS RPS (GP)

Alton Y. W. Wong
Director, Valuation & Advisory, Hong Kong
BCM (Hons) MSc MRICS

Counter Signatory:
The above signatories verify that this summary and valuation certificates are genuine. The opinion of the values expressed for each property has been arrived at by the Cushman & Wakefield appraiser(s) who valued the respective properties.

Mr Vincent K.C. Cheung holds a Master of Business Administration and he is a Registered Professional Surveyor with over 15 years' experience in real estate industry and assets valuations sector. His experience on valuations covers Hong Kong, Macau, Taiwan, South Korea, Mainland China, Vietnam, Cambodia and other overseas countries. Mr Cheung is a member of The Royal Institution of Chartered Surveyors and a member of the Hong Kong Institute of Surveyors. Mr. Cheung is also a Registered Business Valuer of the Hong Kong Business Valuation Forum.

Mr Alton Y.W. Wong holds a Master of Science Degree in Real Estate. He has over 8 years' experience in real estate industry and assets valuation sector. His experience on valuation covers Hong Kong, Macau, South Korea, Thailand, Philippines and Mainland China. Mr Wong is a member of The Royal Institution of Chartered Surveyors.

Ms Chew May Yenk graduated from the National University of Singapore with a B.Sc (Estate Management). She has over 20 years of valuation and advisory experience in real estate industry and assets valuation sector. Her experience covers Singapore, ASEAN countries, India, Japan and other overseas countries. She is an appraiser licenced by the Inland Revenue Authority of Singapore and a member of the Singapore Institute of Surveyors and Valuers.

Encl.

VALUATION CERTIFICATE

Material Date of Valuation:	30 June 2012
Property:	**7 Benoi Sector, Singapore 629842**
Legal Description:	Lot 1719C Mukim 7
Interest Valued:	Leasehold for a term of 30+ 30 years commencing from 16 January 1990
Registered Lessee/Licensee:	Superior Multi-Packaging Limited
Brief Description of Property:	The Property comprises two detached warehouse/ production blocks connected by a link bridge and built on one land plot. The two blocks comprise 2-storey warehouse/production buildings with mezzanine office/storage area and ancillary office. According to information provided, the buildings were originally completed circa 1990s. Addition and alteration (A&A) works were carried out to the buildings in 2010/2011.
Land Area:	15,086.9 square metres
Gross Floor Area (GFA):	17,186.05 square metres
Permitted Use:	The Property is permitted to be used for tooling and machining and the manufacture of flexible packaging products and metal pails and cans only, except with the prior consent in writing to the Lessor.
Occupancy Details:	Owner-occupied
Town Planning:	Business 2 with plot ratio 1.4
Annual Land Rent:	$189,191.04/-
Annual Value:	$1,743,000/-
Market Value:	**$26,500,000/-** **(Singapore Dollars Twenty-Six Million and Five Hundred Thousand Only)**

Cushman & Wakefield Singapore

30 August 2012

VALUATION CERTIFICATE

Material Date of Valuation: 30 June 2012

Property: **429 Lihang Road, Wangqiao Industrial Park, Pudong New District, Shanghai, the People's Republic of China**

Registered Owner: Superior Precision Moulds & Packaging Container (Shanghai) Co., Ltd

Brief Description of Property: The property comprises an industrial complex formed by a parcel of industrial land with a site area of approximately 20,930 square metres, on which are built 9 industrial buildings and various ancillary structures and temporary buildings. The property was completed in various stages between 2000 and 2011.

Site Area: 20,930 square metres

Gross Floor Area (GFA): About 10,780.98 square metres (excluding building without proper title certificate, temporary buildings and ancillary structures)

Permitted Use: Industrial

Occupancy Details: Presently owner-occupied

Land Use Rights: The land use rights of Lot Nos. Pu Dong Xin Qu Tang Zhen Mu Yi Cun 133 Qiu and Pu Dong Xin Qu Tang Zhen Mu Yi Cun 149 Qiu were granted for a term expiring on 14 January 2049 and 27 October 2050 respectively for industrial uses.

Market Value, assuming with vacant possession and free from encumbrances: **RMB56,500,000 (RENMINBI FIFTY SIX MILLION AND FIVE HUNDRED THOUSAND) or**

SGD11,294,350 (SINGAPORE DOLLAR ELEVEN MILLION TWO HUNDRED NINETY FOUR THOUSAND AND THREE HUNDRED FIFTY)

Remarks: Pursuant to a Shanghai Certificate of Real Estate Ownership, Hu Fang De Pu Zi (2006) Di No. 040005 dated 22 May 2006 and issued by the Shanghai Housing and Land Resources Administration Bureau, the land use rights of Lot No. Pu Dong Xin Qu Tang Zhen Mu Yi Cun 133 Qiu with a site area of 8,000 square metres for a term expiring on 14 January 2049 and the building ownership rights of 5 buildings with a total gross floor area of 4,310.38 square metres were legally vested in Superior Precision Moulds & Packaging Container (Shanghai) Co., Ltd with details as follows:

Building No.	Use	Gross Floor Area (sq m)	No. of Storey
1	Carport	39.82	1
2	Guardhouse	21.3	1
3	Office	144.61	1
4	Production workshop	4,082.08	1
5	Warehouse	22.57	1

In the course of our valuation, we have disregarded the value of Building No. 1, which classified as an ancillary structure to the operation of the industrial facility. We have also disregarded the value of Building No. 5, since the building has been demolished as per our on-site inspection on 23 August 2012.

Pursuant to a Shanghai Certificate of Real Estate Ownership, Hu Fang De Pu Zi (2011) Di No. 077012 dated 30 December 2011 and issued by the Shanghai Housing Security and Administration Bureau and the Shanghai Planning, Land and Resources Administration Bureau, the land use rights of Lot No. Pu Dong Xin Qu Tang Zhen Mu Yi Cun 149 Qiu with a site area of 12,930 square metres for a term expiring on 27 October 2050 and the building ownership rights of 3 buildings with a total gross floor area of 6,532.99 square metres were legally vested in Superior Precision Moulds & Packaging Container (Shanghai) Co., Ltd with details as follows:

Building No.	Use	Gross Floor Area (sq m)	No. of Storey
6	Production workshop	6,039.83	1
7	Power distribution room	118.88	1
8	Canteen/changing room	374.28	1

In the course of our valuation, we have attributed no commercial value to 3 buildings (i.e. Building Nos. 9, 10 and 11) with a total gross floor area of approximately 446.54 square metres as they are yet to be granted with proper title certificate. Details of the buildings are listed as follows:

Building No.	Use	Gross Floor Area (sq m)	No. of Storey
9	Power distribution room	30.09	1
10	Guardhouse	16.45	1
11	Production workshop	400	1

For reference purposes, we are of the opinion that the value of the buildings, assuming they have been granted with the proper title certificate and is freely transferable as at the date of valuation, would be RMB860,000.

CUSHMAN & WAKEFIELD GREATER CHINA

30 August 2012

VALUATION CERTIFICATE

Material Date of Valuation: 30 June 2012

Property: **Dongjiang Avenue, Dongjiang Industrial Zone, Shuikou Town, Huizhou, Guangdong Province, the People's Republic of China**

Registered Owner: Superior Metal Printing (Huiyang) Co., Ltd

Brief Description of Property: The property comprises an industrial complex formed by a parcel of industrial land with a site area of approximately 21,189.90 square metres, on which are built 8 industrial buildings and various ancillary structures and temporary buildings. The property was completed in various stages between 1995 and 2011.

Site Area: 21,189.90 square metres

Gross Floor Area (GFA): About 3,282.97 square metres (excluding 4 buildings without proper title certificate, temporary buildings and ancillary structures)

Permitted Use: Industrial

Occupancy Details: Presently owner-occupied

Land Use Rights: The land use rights of the property were granted for a term expiring on 10 April 2045 for industrial uses.

Market Value, assuming with vacant possession and free from encumbrances: **RMB12,100,000 (RENMINBI TWELVE MILLION AND ONE HUNDRED THOUSAND) or**

SGD2,418,790 (SINGAPORE DOLLAR TWO MILLION FOUR HUNDRED EIGHTEEN THOUSAND AND SEVEN HUNDRED NINETY)

Remarks: Pursuant to a Stated-owned Land Use Rights Certificate, Hui Fu Guo Yong (2012) Di No. 13021700026 dated 17 July 2012 and issued by the People's Government of Huizhou, the land use rights of the property with a site area of 21,189.90 square metres were granted to Superior Metal Printing (Huiyang) Co., Ltd. for a term expiring on 10 April 2045.

Pursuant to four Building Ownership Certificate Nos. Yue Fang Di Zheng Zi Di No. 0756569, Yue Fang Di Zheng Zi Di No. 0756570, Yue Fang Di Zheng Zi Di No. 0756571 and Yue Fang Di Zheng Zi Di No. 0756572 all dated 24 April 1997 and issued by the People's Government of Huiyang, the building ownership rights of 4 buildings of the property with a total gross floor area of 3,282.97 square metres were legally vested in Superior Metal Printing (Huiyang) Co., Ltd. with details as follows:

Building No.	Building Owner Certificate No.	Use	Gross Floor Area (sq m)	No. of Storey
1	Yue Fang Di Zheng Zi Di No. 0756569	Production Workshop	2,217.25	1
2	Yue Fang Di Zheng Zi Di No. 0756570	Power Distribution Room	225.36	1
3	Yue Fang Di Zheng Zi Di No. 0756571	Dormitory	784.71	3
4	Yue Fang Di Zheng Zi Di No. 0756572	Guardhouse	55.65	1

In the course of our valuation, we have attributed no commercial value to 4 buildings (i.e. Building Nos. 5, 6, 7 & 11) with a total gross floor area of approximately 783.46 square metres as they are yet to be granted with proper title certificate. Details of the buildings are listed as follows:

Building No.	Use	Gross Floor Area (sq m)	No. of Storey
5	Refuse Collection Station #1	10.95	1
6	Refuse Collection Station #2	24.32	1
7	Warehouse #3	459.63	1
11	Warehouse #4	288.56	1

For reference purposes, we are of the opinion that the value of the buildings, assuming they have been granted with the proper title certificate and is freely transferable as at the date of valuation, would be RMB900,000.

In the course of our valuation, we have disregarded the value of 7 ancillary structures and temporary buildings including a carport, metal roofing panels paved walkway, two temporary warehouses, 2 metal shelters and uncovered waste collection point (enclosed by metal panels) with a total gross floor area of 3,612.06 square meters) which are ancillary to the operation of the industrial facility and will not be granted with proper title certificate.

CUSHMAN & WAKEFIELD GREATER CHINA

30 August 2012

VALUATION CERTIFICATE

Material Date of Valuation:	30 June 2012
Property:	**30 Quanxing Road, Langfang Economic & Technical Development Zone, Langfang, Hebei Province, the People's Republic of China**
Registered Owner:	Superior (LangFang) Multi-Packaging Co., Ltd.
Brief Description of Property:	The property comprises an industrial complex formed by a parcel of industrial land with a site area of approximately 20,000 square metres, on which are built 6 industrial buildings and various ancillary structures and temporary buildings. The property was completed in various stages between 2002 and 2006.
Site Area:	20,000 square metres
Gross Floor Area (GFA):	About 11,859.79 square metres (excluding building without proper title certificate, temporary buildings and ancillary structures)
Permitted Use:	Industrial
Occupancy Details:	Presently owner-occupied
Land Use Rights:	The land use rights of the property were granted for a term expiring on 14 July 2052 for industrial uses.
Market Value, assuming with vacant possession and free from encumbrances:	**RMB28,600,000 (RENMINBI TWENTY EIGHT MILLION AND SIX HUNDRED THOUSAND) or** **SGD5,717,140 (SINGAPORE DOLLAR FIVE MILLION SEVEN HUNDRED SEVENTEEN THOUSAND AND ONE HUNDRED FORTY)**
Remarks:	Pursuant to a Stated-owned Land Use Rights Certificate, Lang Kai Guo Yong (2002) Zi Di No. 00042 dated 15 July 2002 and issued by the People's Government of Langfang, the land use rights of the property with a site area of 20,000 square metres were granted to Superior (LangFang) Multi-Packaging Co., Ltd. for a term expiring on 14 July 2052. Pursuant to a Building Ownership Certificate dated 13 May 2005 and issued by the Real Estate Bureau of Langfang Economic & Technical Development Zone, the building ownership rights of 4 buildings of the property with a total gross floor area of 10,649.45 square metres were legally vested in Superior (LangFang) Multi-Packaging Co., Ltd. with details as follows:

Building No.	Use	Gross Floor Area (sq m)	No. of Storey
1	Guardhouse	40.93	1
2	Warehouse	1,637.47	1
3	Production Workshop	3,224.35	2
4	Production Workshop	5,746.7	1

Pursuant to a Building Ownership Certificate, Lang Fang Shi Fang Quan Zheng Lang Kai Zi Di No. G4964 dated 8 February 2010 and issued by the Real Estate Bureau of Langfang, the building ownership rights of a building of the property with a gross floor area of 1,210.34 square metres were legally vested in Superior (LangFang) Multi-Packaging Co., Ltd. with details as follows:

Building No.	Use	Gross Floor Area (sq m)	No. of Storey
6	Production Workshop	1,210.34	2

In the course of our valuation, we have attributed no commercial value to a building (i.e. Building No. 5) with a gross floor area of approximately 210 square metres as it is yet to be granted with proper title certificate. Details of the building are listed as follows:

Building No.	Use	Gross Floor Area (sq m)	No. of Storey
5	Warehouse	210	1

For reference purposes, we are of the opinion that the value of the building, assuming it has been granted with the proper title certificate and is freely transferable as at the date of valuation, would be RMB430,000.

In the course of our valuation, we have disregarded the value of 5 ancillary structures (including 2 carports and 3 temporary goods sheds), which are ancillary to the operation of the industrial facility and will not be granted with proper title certificate.

CUSHMAN & WAKEFIELD GREATER CHINA

30 August 2012

VALUATION CERTIFICATE

Material Date of Valuation: 30 June 2012

Property: **10 Taiyuan Road, Tianjin Jinbin Industrial Park, Wuqing District, Tianjin, the People's Republic of China**

Registered Owner: Superior (Tianjin) Multi-Packaging Co., Ltd.

Brief Description of Property: The property comprises an industrial complex formed by a parcel of industrial land with a site area of approximately 27,605.7 square metres, on which are built 5 industrial buildings and various ancillary structures and temporary buildings. The property was completed in about 2011.

Site Area: 27,605.7 square metres

Gross Floor Area (GFA): About 16,844.28 square metres (excluding building without proper title certificate, temporary buildings and ancillary structures)

Permitted Use: Industrial

Occupancy Details: Presently owner-occupied

Land Use Rights: The land use rights of the property were granted for a term expiring on 16 December 2059 for industrial uses.

Market Value, assuming with vacant possession and free from encumbrances: **RMB60,000,000 (RENMINBI SIXTY MILLION) or**

SGD11,994,000 (SINGAPORE DOLLAR ELEVEN MILLION AND NINE HUNDRED NINETY FOUR THOUSAND)

Remarks: Pursuant to a Realty Title Certificate, Fang Di Zhang Jin Zi Di No. 122011115188 dated 27 April 2011 issued by the People's Government of Tianjin, the land use rights of the property with a site area of 27,605.7 square metres; and the building ownership rights of the building with a total gross floor area of 16,844.28 square metres (i.e. Building Nos. 1, 2, 3, 4 & 5) were legally vested in Superior (Tianjin) Multi-Packaging Co., Ltd. The land use rights were granted for a term of expiring on 16 December 2059 for industrial uses.

In the course of our valuation, we have attributed no commercial value to a building with a gross floor area of approximately 80 square metres as it is yet to be granted with proper title certificate. Details of the building are listed as follows:

Building No.	Use	Gross Floor Area (sq m)	No. of Storey
6	Warehouse	80	1

For reference purposes, we are of the opinion that the value of the building, assuming it has been granted with the proper title certificate and is freely transferable as at the date of valuation, would be RMB150,000.

In the course of our valuation, we have disregarded the value of an ancillary structure (i.e. a metal shelter with an area of approximately 225 square meters), which is ancillary to the operation of the industrial facility and will not be granted with proper title certificate.

CUSHMAN & WAKEFIELD GREATER CHINA

30 August 2012

VALUATION CERTIFICATE

Material Date of Valuation: 30 June 2012

Property: **309 Tongyu Road, Tudian Town Light Textile Industrial Park, Tongxiang, Jiaxing, Zhejiang Province, the People's Republic of China**

Registered Owner: Zhejiang Gaote Metal Decorating Co., Ltd.

Brief Description of Property: The property comprises an industrial complex formed by a parcel of industrial land with a site area of approximately 9,402.95 square metres, on which are built 7 industrial buildings and various ancillary structures and temporary buildings. The property was completed in various stages between 2006 and 2010.

Site Area: 9,402.95 square metres

Gross Floor Area (GFA): About 4,243.72 square metres (excluding building without proper title certificate, temporary buildings and ancillary structures)

Permitted Use: Industrial

Occupancy Details: Presently owner-occupied

Land Use Rights: The land use rights of the property were granted for a term expiring on 25 October 2056 for industrial uses.

Market Value, assuming with vacant possession and free from encumbrances: **RMB9,300,000 (RENMINBI NINE MILLION AND THREE HUNDRED THOUSAND) or**

SGD1,859,070 (SINGAPORE DOLLAR ONE MILLION EIGHT HUNDRED FIFTY NINE THOUSAND AND SEVENTY)

Remarks: Pursuant to a Stated-owned Land Use Rights Certificate, Tong Guo Yong (2008) Di No. 16573 dated 27 November 2008 and issued by the People's Government of Tongxiang, the land use rights of the property with a site area of 9,402.95 square metres were granted to Zhejiang Gaote Metal Decorating Co., Ltd for a term expiring on 25 October 2056.

Pursuant to a Building Ownership Certificate, Tong Fang Quan Zheng Tong Zi Di No. 00144015 dated 12 December 2008 and issued by the Planning and Construction Bureau of Tongxiang, the building ownership rights of a building of the property with a gross floor area of 1,406.13 square metres were legally vested in Zhejiang Gaote Metal Decorating Co., Ltd with details as follows:

Building No.	Use	Gross Floor Area (sq m)	No. of Storey
2	Office	1,406.13	4

Pursuant to a Building Ownership Certificate, Tong Fang Quan Zheng Tong Zi Di No. 00144014 dated 12 December 2008 and issued by the Planning and Construction Bureau of Tongxiang, the building ownership rights of a building of the property with a gross floor area of 2,837.59 square metres were legally vested in Zhejiang Gaote Metal Decorating Co., Ltd with details as follows:

Building No.	Use	Gross Floor Area (sq m)	No. of Storey
1	Production workshop	2,837.59	1

In the course of our valuation, we have attributed no commercial value to 5 buildings (i.e. Building Nos. 3, 4, 5, 6 and 7) with a total gross floor area of approximately 558.2 square metres as they are yet to be granted with proper title certificate. Details of the buildings are listed as follows:

Building No.	Use	Gross Floor Area (sq m)	No. of Storey
3	Guardhouse	28	1
4	Canteen	119	1
5	Warehouse	186	1
6	Office	173.2	1
7	Power Distribution Room	52	1

For reference purposes, we are of the opinion that the value of the buildings, assuming they have been granted with the proper title certificate and is freely transferable as at the date of valuation, would be RMB580,000.

In the course of our valuation, we have disregarded the value of 8 temporary buildings and ancillary structures (including a carport, a compressor room, a boiler room, a toilet, a power generator room, an exposure room, a warehouse and a repairing room with a total gross floor area of approximately 492.7 square metres) which are ancillary to the operation of the industrial facility and will not be granted with proper title certificate

CUSHMAN & WAKEFIELD GREATER CHINA

30 August 2012