



Unaudited Half Year Financial Statement And Dividend Announcement For The Period Ended 30 June 2009

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

	2009	2008	Increase/
	Jan-Jun	Jan-Jun	(Decrease)
	S\$ '000	S\$ '000	%
Revenue	68,664	70,906	(3.2)
Cost of sales	(62,623)	(63,710)	(1.7)
Gross profit	<u>6,041</u>	<u>7,196</u>	(16.1)
Other items of income			
Interest income	13	15	(13.3)
Other credits	1,857	1,602	15.9
Other items of expense			
Distribution costs	(1,642)	(1,497)	9.7
Administrative expenses	(4,623)	(4,632)	(0.2)
Finance costs	(532)	(343)	55.1
Other charges	(655)	(685)	(4.4)
Profit before tax from continuing operations	<u>459</u>	<u>1,656</u>	(72.3)
Income tax expense	(316)	(354)	(10.7)
Profit from continuing operations, net of tax	<u>143</u>	<u>1,302</u>	(89.0)
Profit attributable to:			
Equity holders of parent, net of tax	148	1,314	(88.7)
Minority interest, net of tax	(5)	(12)	(58.3)
	<u>143</u>	<u>1,302</u>	(89.0)

STATEMENT OF COMPREHENSIVE INCOME

Profit from continuing operations, net of tax	143	1,302	(89.0)
Other comprehensive income, net of tax:			
Gains/losses recognised directly in equity			
Exchange differences on translating foreign operations	(1,947)	186	N.M.
Total comprehensive (loss)/ income for the period, net of tax	<u>(1,804)</u>	<u>1,488</u>	N.M.
Total comprehensive (loss)/ income attributable to:			
Equity holders of parent, net of tax	(1,797)	1,500	N.M.
Minority interest, net of tax	(7)	(12)	(41.7)
	<u>(1,804)</u>	<u>1,488</u>	N.M.
Earnings per share			
Earnings per share currency unit	Cents	Cents	
Basic and diluted	<u>0.08</u>	<u>0.72</u>	

N.M. - Not meaningful



SUPERIOR MULTI - PACKAGING LIMITED
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NOTE TO STATEMENT OF COMPREHENSIVE INCOME

	2009	2008
	Jan-Jun	Jan-Jun
	SS '000	SS '000
Foreign exchange adjustment losses	(339)	(500)
Other income including interest income	1,793	1,592
Interest expenses	(532)	(343)
Gain on disposal of plant and equipment	53	8
Depreciation and amortisation	(2,689)	(2,481)
Reversal for impairment on trade receivables	24	18
Bad debts written off from trade receivables	(1)	-
Inventories written down	(153)	(156)
Inventories written off	(8)	(1)
Allowance for construction contracts	(391)	(28)



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	
	30/06/2009	31/12/2008	30/06/2009	31/12/2008
	SS '000	SS '000	SS '000	SS '000
Assets				
Non-current assets				
Property, plant and equipment	44,208	47,073	15,971	16,787
Investments in subsidiaries	-	-	40,617	40,617
Goodwill	1,176	1,176	-	-
Intangible assets	37	73	37	73
Total non-current assets	45,421	48,322	56,625	57,477
Current assets				
Inventories	33,737	44,859	17,383	27,328
Trade and other receivables	35,882	38,157	19,048	23,029
Other financial assets	10	10	-	-
Other assets	2,448	1,723	680	475
Cash and cash equivalents	8,682	5,920	3,632	2,011
Total current assets	80,759	90,669	40,743	52,843
Total assets	126,180	138,991	97,368	110,320
EQUITY AND LIABILITIES				
Equity				
Share capital	45,289	45,289	45,289	45,289
Retained earnings	17,919	18,317	21,505	22,965
Other reserves	5,745	7,485	761	556
Equity, attributable to equity holders of the parent, total	68,953	71,091	67,555	68,810
Minority interest	53	60	-	-
Total equity	69,006	71,151	67,555	68,810
Non-current liabilities				
Deferred tax liabilities	1,698	1,698	1,698	1,698
Finance leases	-	4	-	-
Total non-current liabilities	1,698	1,702	1,698	1,698
Current liabilities				
Income tax payable	239	128	50	50
Trade and other payables	20,352	28,700	8,175	16,158
Finance leases	-	7	-	-
Other financial liabilities	34,885	37,303	19,890	23,604
Total current liabilities	55,476	66,138	28,115	39,812
Total liabilities	57,174	67,840	29,813	41,510
Total equity and liabilities	126,180	138,991	97,368	110,320



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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 30/06/2009		As at 31/12/2008	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
7,330	27,555	7,377	29,933

Amount repayable after one year

As at 30/06/2009		As at 31/12/2008	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	4	-

Details of any collaterals

Certain items of the Group's property, plant and equipment at a carrying value of S\$7,306,000 (31 Dec 2008: S\$6,190,000) are pledged as security for the bank facilities.



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1(c) 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

	2009	2008
	Jan - Jun	Jan - Jun
	S\$ '000	S\$ '000
Cash flows from operating activities		
Profit before tax	459	1,656
Depreciation of property, plant and equipment	2,652	2,445
Amortisation of other intangible assets	37	36
Interest income	(13)	(15)
Interest expense	532	343
Gains on disposal of property, plant & equipment	(53)	(8)
Reversal for impairment on trade receivables	(24)	(18)
Bad debts written off trade receivables	1	-
Inventories written down	153	156
Inventories written off	8	1
Allowance for construction contracts	391	28
Share-based payment	205	205
Net effect of exchange rate changes in consolidating foreign operations	(873)	110
Net cash flows from operating activities	3,475	4,939
Trade and other receivables	1,905	(8,425)
Other assets	(725)	(2,418)
Inventories	10,961	(3,888)
Trade and other payables	(7,978)	3,497
Net cash flows from/ (used in) operations before interest and tax	7,638	(6,295)
Income taxes paid	(204)	(382)
Net cash flows from/ (used in) operating activities	7,434	(6,677)
Cash flows from investing activities		
Disposal of property, plant and equipment	195	242
Purchase of property, plant and equipment	(1,268)	(2,212)
Issue of new shares by subsidiary to minority shareholder	-	42
Interest received	13	15
Net cash flows used in investing activities	(1,060)	(1,913)
Cash flows from financing activities		
Dividends paid to equity shareholders	(546)	(728)
Other financial liabilities	(303)	7,514
Finance lease repayments	(11)	(4)
Interest paid	(636)	(343)
Net cash flows (used in)/ from financing activities	(1,496)	6,439
Net increase/ (decrease) in cash and cash equivalents	4,878	(2,151)
Cash and cash equivalents, cash flow statement, beginning balance	3,742	3,530
Cash and cash equivalents, cash flow statement, ending balance	8,620	1,379
Cash and cash equivalents comprise the following:		
Cash at bank and on hand	8,682	2,317
Less: bank overdrafts	(62)	(938)
	8,620	1,379

Certain reclassifications have been made to the prior year's cash flow statement to enhance comparability with current year's cash flow statement.



Unaudited Half Year Financial Statement And Dividend Announcement For The Period Ended 30 June 2009

- 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	Retained Earnings	Parent Sub-Total	Minority interest	Total Equity
	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000	SS'000
2008								
Opening balance at 1 Jan 2008	45,289	2,883	136	(980)	17,314	64,642	30	64,672
Changes in shareholdings of subsidiary	-	-	-	-	-	-	42	42
Dividends paid	-	-	-	-	(728)	(728)	-	(728)
Share-based payments: service provided	-	-	205	-	-	205	-	205
Total comprehensive income for the period	-	-	-	186	1,314	1,500	(12)	1,488
Transfer from retained profits to statutory reserves	-	65	-	-	(65)	-	-	-
Closing balance at 30 Jun 2008	45,289	2,948	341	(794)	17,835	65,619	60	65,679
2009								
Opening balance at 1 Jan 2009	45,289	3,225	556	3,704	18,317	71,091	60	71,151
Dividends paid	-	-	-	-	(546)	(546)	-	(546)
Share-based payments: service provided	-	-	205	-	-	205	-	205
Total comprehensive income for the period	-	-	-	(1,945)	148	(1,797)	(7)	(1,804)
Closing balance at 30 Jun 2009	45,289	3,225	761	1,759	17,919	68,953	53	69,006



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Company	Share Capital	Share Option Reserve	Retained Earnings	Total Equity
	SS'000	SS'000	SS'000	SS'000
2008				
Opening balance at 1 Jan 2008	45,289	136	26,594	72,019
Dividends paid	-	-	(728)	(728)
Share-based payments: service provided	-	205	-	205
Total comprehensive income for the period	-	-	785	785
Closing balance at 30 Jun 2008	45,289	341	26,651	72,281
2009				
Opening balance at 1 Jan 2009	45,289	556	22,965	68,810
Dividends paid	-	-	(546)	(546)
Share-based payments: service provided	-	205	-	205
Total comprehensive income for the period	-	-	(914)	(914)
Closing balance at 30 Jun 2009	45,289	761	21,505	67,555



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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.

As at 30 June 2009, there were 21,100,000 (30 June 2008: 21,700,000) unissued ordinary shares of S\$0.13 each under the Superior Multi-Packaging (2001) Executives' Share Option Scheme.

During the financial period there were no options granted under the scheme.

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 2009 is 181,878,000 shares (31 December 2008: 181,878,000 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 2008.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

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 2009.



Unaudited Half Year Financial Statement And Dividend Announcement For The Period Ended 30 June 2009

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 2009	30 Jun 2008
(a) Based on the weighted average number of ordinary share on issue	0.08 cents	0.72 cents
- Weighted average number of shares	181,878,000	181,878,000
(b) On a fully diluted basis	0.08 cents	0.72 cents
- Adjusted weighted average number of shares	181,878,000	181,878,000

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 30/06/2009	Year Ended 31/12/2008	Half Year Ended 30/06/2009	Year Ended 31/12/2008
Net asset value per ordinary share based on issued share capital at the end of the financial period	37.91 cents	39.09 cents	37.14 cents	37.83 cents



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

Turnover

During the first six months of financial year 2009 ended 30 June 2009 ("1H2009"), the manufacturing industry continued to be severely affected by the continuing fall-out from the global credit crunch and subsequent downturn. Thus, it was inevitable that the Group's customers strongly negotiated for price concessions, particularly for volume orders.

Despite the lower average selling price, Group revenue in 1H2009 was only marginally lower at S\$68.7 million compared to S\$70.9 million recorded for the equivalent period last year ("1H2008"), mitigated by an increase in volume.

Profitability

The Group's results announcement for FY2008 dated 26 February 2009 had included a sombre outlook statement detailing the decisive actions that the Group will be implementing to stabilise margins and sustain profitability.

Despite concerted cost-cutting measures, the Group's overall cost of sales remain high in 1H2009 as production operations were still running down the Group's remaining inventory of key raw materials such as tinplates, aluminium foils and film substrates. These stocks were procured at the prevailing high prices in 2H2008, when the Group had to accumulate tinplates to support the anticipated increase in orders; as well as the planned roll-out of new products.

Coupled with 1H2009's lower average selling price, gross profit decreased to S\$6.0 million from S\$7.2 million in 1H2008 while gross profit margin declined to 8.8% from 10.1%.

Other credits referred to the sale of scrap materials, which decreased to S\$1.4 million from S\$1.5 million in 1H2008 due to a general decline in scrap materials price. Included in other credits was a non-recurring income of S\$0.3 million arising from the reversal of an amount due to minority interests in a subsidiary.

Distribution costs rose to S\$1.6 million from S\$1.5 million in 1H2008 with the increase in delivery frequencies as a result of the Group's conscientious efforts in broadening its customer base in China.

Despite additional costs and overheads from another satellite factory, the Group managed to maintain overall administrative expenses at around S\$4.6 million in 1H2009.

Other charges for 1H2009 remained relatively the same at S\$0.7 million compared to the corresponding period last year, which included an allowance for construction contracts of S\$0.4 million in 1H2009.

Finance costs rose to S\$0.5 million from S\$0.3 million in 1H2008, in line with the rise in loan utilization to S\$34.9 million in 1H2009 compared to S\$26.8 million in 1H2008, to support the expansion in customer base and thus, increased working capital requirements.

Consequently, 1H2009 profit before tax from continuing operations was significantly lower at S\$0.5 million compared to S\$1.7 million achieved in 1H2008, while net profit from continuing operations attributable to equity holders was S\$0.1 million compared to S\$1.3 million, due to lower gross profit contributions.



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Financial Position & Cash Flow

As at 30 June 2009, total assets decreased to S\$126.2 million as compared to S\$139.0 million as at 31 December 2008.

Current assets decreased to S\$80.8 million from S\$90.7 million as at 31 December 2008. This decrease was mainly attributed to the Group continuing to run down its inventories by S\$11.2 million to S\$33.7 million as at 30 June 2009, of which raw materials and work-in-progress accounted for 80% and finished products the balance 20%.

Trade and other receivables also decreased to S\$35.9 million from S\$38.2 million as the Group tightened working capital management.

In 1H2009, the Group invested S\$1.3 million in new property, plant and equipment while disposing other equipment, which after offsetting for depreciation charges resulted in a net decrease in property, plant and equipment to S\$44.2 million from S\$47.1 million.

Current liabilities decreased to S\$55.5 million from S\$66.1 million. This reduction was mainly attributed to the decrease in trade payables. The Group also pared bank borrowings, categorised as Other Financial Liabilities, to S\$34.9 million from S\$37.3 million. Thus, the Group's net debt to equity ratio improved to 38% as at 30 June 2009 compared to 44% as at 31 December 2008.

Operating activities in 1H2009 generated positive net cash of S\$7.4 million compared to an outflow of S\$6.7 million cash in 1H2008.

The Group ended 1H2009 with a healthy increase in net cash and cash equivalents to S\$8.6 million as at 30 June 2009 compared to S\$1.4 million as at 31 December 2008.

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.

1H2009 was an unprecedented challenging period for many manufacturing industries and individual businesses worldwide. Although Group net profit for 1H2009 took a beating largely attributed to reduced selling prices, the Group nonetheless remained profitable despite operating under unfavourable conditions in its external environment and internal restraints.

The Group's actions in early 1H2009, including stringent management of inventory, working capital and debt, are reaping benefits. The Group generated positive cash flow from operating activities in 1H2009, and even after paring down debts, net cash and equivalents have increased to healthy levels. The Group's financial position has been strengthened, evidenced by an improving net debt to equity ratio of 38% as at 30 June 2009 compared to 44% as at 31 December 2008.

The Group intends to continue its strategy of establishing a network of satellite factories to "near-shore" its production, i.e., within 2 - 3 hours by overland transport to the operations of key customers, which will facilitate shorter turnaround time and cost-efficient logistics operations.

In the short term, the Group will adopt a cautious approach in exploring new markets and likely to defer its plans to set up one to two more satellite factories in China to 2010 when the recovery of major economies become more certain.



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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	
	Half Year Ended 30 Jun 2009	Half Year Ended 30 Jun 2008
Transactions for the sale of goods and services	SS'000	SS'000
Nippon Paint Group	23,739	23,904



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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 Jun 2009 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
12 August 2009