

SUPERIOR MULTI-PACKAGING LIMITED

(Registration No. 197902249R)

(Incorporated in the Republic of Singapore)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 202,428,000 NEW ORDINARY SHARES ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF SUPERIOR MULTI-PACKAGING LIMITED (THE "COMPANY")

1. INTRODUCTION

- 1.1 The board of directors (the "**Directors**") of the Company wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue (the "**Rights Issue**") of up to 202,428,000 new ordinary shares in the capital of the Company (each, a "**Rights Share**" and collectively, the "**Rights Shares**") at the issue price of S\$0.055 for each Rights Share (the "**Issue Price**"), on the basis of one (1) Rights Share for every one (1) existing ordinary share in the capital of the Company (each, a "**Share**" and collectively, the "**Shares**") held by Entitled Shareholders (as defined in paragraph 3.3 below) as at a time and date to be determined by the Directors for the purpose of determining entitlements of the shareholders of the Company (the "**Shareholders**") to the Rights Shares (the "**Books Closure Date**"), fractional entitlements to be disregarded.
- 1.2 The Company has appointed Kim Eng Corporate Finance Pte. Ltd. as the manager (the "**Manager**") of the Rights Issue.
- 1.3 As an indication of its strong support and commitment for the Company, SMP Investments (S) Pte Ltd ("**SMPI**"), which holds an aggregate of 73,246,133 Shares (the "**Current Shares**") representing 40.27% (the "**Current Shareholding**") of the issued share capital of the Company as at the date of this announcement (the "**Announcement**"), has irrevocably undertaken to the Company that (i) it will fully subscribe for its *pro rata* entitlement to the Rights Shares under the Rights Issue, and (ii) make excess applications to subscribe for the balance of the Rights Shares which are not subscribed by other Shareholders under the Rights Issue up to a maximum of 45,454,545 Rights Shares (the "**Irrevocable Undertaking**"). The application of SMPI to subscribe for the Rights Shares may be scaled down pursuant to Rule 820(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (as further described in paragraph 1.5 below) so that such subscriptions do not oblige the Relevant Shareholders (as defined in paragraph 6 below) and their concert parties or any of them to make a Mandatory Offer (as defined in paragraph 6 below) under The Singapore Code on Take-overs and Mergers (the "**Code**"), unless the Whitewash Resolution (as defined below) is passed by the independent Shareholders at the EGM (as defined below). Please refer to paragraph 5 below for details of the Irrevocable Undertaking.

- 1.4 The Company intends to seek approval from Shareholders for the Rights Issue as well as a whitewash resolution (the “**Whitewash Resolution**”). Please refer to paragraph 6 below for information relating to the Whitewash Resolution. The Rights Issue is not conditional upon independent Shareholders voting in favour of the Whitewash Resolution. In the event that the Rights Issue is approved by Shareholders but the Whitewash Resolution is not passed by independent Shareholders at an extraordinary general meeting (the “**EGM**”), the Rights Issue will proceed subject to, *inter alia*, lodgment of an offer information statement in relation to the Rights Issue (the “**Offer Information Statement**”) with the Monetary Authority of Singapore (the “**MAS**”) and despatch of the Offer Information Statement to Entitled Shareholders (as defined in paragraph 3.3 below).
- 1.5 In the event that the Rights Issue is approved by Shareholders but the Whitewash Resolution is not passed by independent Shareholders at the EGM, and depending on the level of subscription for the Rights Shares by Shareholders other than SMPI, pursuant to Rule 820(2) of the Listing Manual of the SGX-ST, the application of SMPI to subscribe for the Rights Shares (whether pursuant to its rights entitlement and/or the Excess Applications (as defined in paragraph 5.1(c) below)) may be scaled down to avoid placing the Relevant Shareholders (as defined in paragraph 6 below) and their concert parties or any of them in the position of incurring an obligation to make a Mandatory Offer (as defined in paragraph 6 below) under the Code as a result of Shareholders (other than SMPI) not taking up their rights entitlements fully.

2. APPROVALS

- 2.1 The Rights Issue is subject to, *inter alia*, the following:
- (a) the receipt of the approval in-principle of the SGX-ST for the dealing in, listing and quotation of the Rights Shares on the Official List of the Main Board of the SGX-ST;
 - (b) the Rights Issue, including the issue and allotment of the Rights Shares, having been approved by Shareholders at the EGM. Such approval of the Shareholders is separate from the general mandate to issue Shares which was sought at the Company’s recent annual general meeting held on 26 April 2010; and
 - (c) the lodgment of the Offer Information Statement with the MAS.
- 2.2 An application will be made by the Company to obtain the approval in-principle of the SGX-ST for the dealing in, listing and quotation of the Rights Shares on the Main Board of the SGX-ST. An appropriate announcement on the outcome of the application will be made by the Company upon receipt of the approval-in-principle of the SGX-ST.
- 2.3 A circular to Shareholders containing, *inter alia*, the notice of the EGM and the details of the Rights Issue (the “**Circular**”) will be despatched to Shareholders in due course. The Offer Information Statement will be lodged with the MAS and despatched to Entitled

Shareholders (as defined in paragraph 3.3 below) in due course following the EGM, if the Rights Issue is approved at the EGM.

3. PARTICULARS OF THE RIGHTS ISSUE

- 3.1 **Terms of the Rights Issue.** The Company is proposing the Rights Issue to be offered on a renounceable basis to Entitled Shareholders (as defined below) on the basis of one (1) Rights Share for every one (1) existing Share held by Entitled Shareholders (as defined below) as at the Books Closure Date at the Issue Price, being S\$0.055, fractional entitlements to be disregarded.

The Issue Price represents:

- (a) a discount of approximately 56% to the closing price of S\$0.125 per Share on the SGX-ST on 17 May 2010, being the last trading day of the Shares on the SGX-ST prior to the date of this Announcement; and
- (b) a discount of approximately 38.89% to the theoretical ex-rights price⁽¹⁾ of S\$0.09 per Share.

Note:

- (1) The theoretical ex-rights price is the theoretical market price of each Share computed based on the closing price of S\$0.125 per Share on the SGX-ST on 17 May 2010, being the last trading day of the Shares on the SGX-ST prior to the date of this Announcement, and the total number of Shares following the completion of the Rights Issue.

Entitled Shareholders (as defined below) will be entitled to participate in the Rights Issue and receive the Offer Information Statement together with the relevant application forms and accompanying documents at their respective Singapore addresses.

- 3.2 **Size of Rights Issue.** As at the date of this Announcement, the existing issued and paid-up share capital of the Company is 181,878,000 Shares (the “**Existing Share Capital**”). The Company also has, as at the date of this Announcement, 20,550,000 outstanding share options (the “**Exercisable Share Options**”) granted under the Superior Multi-Packaging (2001) Executives’ Share Option Scheme, all of which have already vested. If all the Exercisable Share Options are exercised in full, 20,550,000 new Shares (the “**Unissued Shares**”) will be issued by the Company to satisfy the Exercisable Share Options.

Based on the Existing Share Capital and excluding the Unissued Shares, 118,700,678 Rights Shares will be issued under the Rights Issue, assuming that the Whitewash Resolution is passed by independent Shareholders at the EGM and only SMPI subscribes in full for its allocation of 73,246,133 Rights Shares and 45,454,545 excess Rights Shares under the Irrevocable Undertaking and that none of the other Shareholders subscribe for their *pro rata* Right Shares entitlements under the Rights Issue and/or apply for excess Rights Shares (the “**Minimum Subscription Scenario**”).

Based on the Existing Share Capital, and including the Unissued Shares, up to 202,428,000 Rights Shares will be issued by the Company, assuming that all Shareholders subscribe for all their *pro rata* Right Shares entitlements under the Rights Issue (the “**Maximum Subscription Scenario**”).

- 3.3 **Eligibility of Shareholders to Participate in the Rights Issue.** The Company proposes to provisionally allot Rights Shares to all Shareholders who are eligible to participate in the Rights Issue (the “**Entitled Shareholders**”) comprising Entitled Depositors and Entitled Scripholders (both as defined below).
- 3.4 **Entitled Depositors.** Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with The Central Depository (Pte) Limited (“**CDP**”) are in Singapore as at 5.00 p.m. (Singapore time) on the Books Closure Date or who have, at least three (3) Market Days (a Market Day being a day on which the SGX-ST is open for securities trading) prior to the Books Closure Date, provided CDP at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807 with registered addresses in Singapore for the service of notices and documents.
- 3.5 **Entitled Scripholders.** Shareholders whose Shares were registered in their own names and whose registered addresses with M & C Services Private Limited (the “**Share Registrar**”) were in Singapore as at the Books Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar at 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906 with addresses in Singapore for the service of notices and documents.
- 3.6 **Foreign Shareholders.** For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights Issue is only made in Singapore and the Rights Shares will **NOT** be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior to the Books Closure Date, provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”). The Offer Information Statement to be issued in relation to and for the purposes of the Rights Issue and the accompanying documents will not be mailed outside Singapore.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares, which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register (as defined in Section 130A of the Companies Act (Chapter

50) of Singapore) as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit for the sole benefit of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager or CDP and their respective officers in connection therewith. Where such provisional allotments of Rights Shares are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Manager or CDP or their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

To this end, Foreign Shareholders are encouraged to provide a registered address in Singapore to CDP or the Share Registrar, as the case may be, at least three (3) Market Days prior to the Books Closure Date, in order to be able to participate in the Rights Issue.

- 3.7 **Provisional Allotments.** Entitled Shareholders will be at liberty to accept in full or in part, decline, or otherwise renounce or trade their provisional allotments of the Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders' entitlements and will, together with the Rights Shares represented by the provisional allotments of (i) Entitled Shareholders who decline, do not accept, or elect not to renounce or trade their provisional allotment of the Rights Shares under the Rights Issue (during the provisional allotment trading period prescribed by the SGX-ST) and/or (ii) ineligible Shareholders, be aggregated and used to satisfy excess applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the sole benefit of the Company. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and substantial Shareholders will rank last in priority.

- 3.8 **Offer Information Statement.** The terms and conditions of the Rights Issue may be subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue will be contained in the Offer Information Statement in connection with the Rights Issue to be issued and despatched by the Company to Entitled Shareholders in due course following the EGM, if the Rights Issue is approved at the EGM.

- 3.9 **Ranking.** The Rights Shares are payable in full upon acceptance and/or application and will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares. For this purpose, "record date" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of the business (or such other

time as may have been notified by the Company) or which Shareholders must be registered with the Company or CDP in order to participate in such dividends, rights, allotments or other distributions.

4. PURPOSE OF THE RIGHTS ISSUE AND USE OF PROCEEDS

- 4.1 The Rights Issue will provide the Shareholders with the opportunity to obtain further equity participation in the Company by subscribing for the Rights Shares and enhance the ability of the Company and its subsidiaries (the “**Group**”) to tap the growth potential in Asia.
- 4.2 In the Minimum Subscription Scenario, the estimated net proceeds from the subscription of the Rights Issue, after deducting professional fees as well as related expenses of approximately S\$0.24 million incurred in connection with the Rights Issue, is expected to be approximately S\$6.29 million.
- 4.3 In the Maximum Subscription Scenario, the estimated net proceeds from the subscription of the Rights Issue, after deducting professional fees as well as related expenses of approximately S\$0.24 million incurred in connection with the Rights Issue, is expected to be approximately S\$10.89 million.
- 4.4 As described in paragraph 1.5, the application of SMPI to subscribe for the Rights Shares may be scaled down. Accordingly, the actual amount raised from the Rights Issue may vary from the amount stated herein.
- 4.5 The Company intends to use up to S\$2.0 million of the net proceeds of the Rights Issue (the “**Rights Proceeds**”) for potential overseas expansion plan to be identified and any balance of the Rights Proceeds for the general working capital of the Group.
- 4.6 The Company will announce any material disbursements of the Rights Proceeds via SGXNET as and when such disbursements occur.
- 4.7 Pending the deployment of the Rights Proceeds, the Rights Proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may, in their absolute discretion, deem fit.
- 4.8 In the reasonable opinion of the Directors, there is no minimum amount which must be raised by the Rights Issue.

5. IRREVOCABLE UNDERTAKING

- 5.1 To demonstrate its commitment to the Company, SMPI has irrevocably undertaken to the Company, *inter alia*:

- (a) that prior to the Books Closure Date, SMPI will:
 - i. not sell, transfer or otherwise dispose of or part with the ownership of any of the Current Shares; and/or
 - ii. procure that the registered holder(s) of the Current Shares (“**Registered Holder(s)**”) will not sell, transfer or otherwise dispose of or part with the ownership of any of the Shares held by it on SMPI’s behalf as at the date of the Irrevocable Undertaking;
- (b) that as at the Books Closure Date, SMPI’s shareholding (whether held in SMPI’s name or in the names of its nominees or held by companies controlled by SMPI) in the Company will not be less than the Current Shareholding;
- (c) that SMPI (i) will, or will procure that any Registered Holder will, as the case may be, subscribe for, or cause to be subscribed for and on behalf of SMPI, 73,246,133 Rights Shares under its pro-rata rights entitlements under the Rights Issue, in line with its current interest of 40.27% in the issued and paid-up share capital of the Company and (ii) will make excess applications or will procure that any Registered Holder will make excess applications, as the case may be, to subscribe for, or cause to be subscribed for and on behalf of SMPI, the balance of the Rights Shares which are not subscribed by the other Shareholders under the Rights Issue, up to a maximum of 45,454,545 Rights Shares (“**Excess Applications**”). If the Whitewash Resolution is not passed by the Shareholders, and the Company decides to proceed with the Rights Issue, the subscription of the Rights Shares under its pro-rata entitlements under the Rights Issue and the Excess Applications may be scaled down pursuant to Rule 820(2) of the Listing Manual of SGX-ST, so that such subscriptions do not oblige SMPI and/or any party acting in concert with it to make a mandatory take-over offer under the Code;
- (d) that SMPI will, or will procure that any Registered Holder will, as the case may be, pay, or procure payment, for the Rights Shares that SMPI has undertaken under sub-paragraph (c) above to subscribe or procure subscription of within the time and in the manner as required under the terms of the Rights Issue; and
- (e) that subject to any applicable laws, rules or regulations, SMPI will vote or procure the voting of, all its shareholdings in the Company, whether held directly or indirectly, in favour of the Rights Issue in order to procure the passing of all resolutions of shareholders required for and in connection with the Rights Issue.

5.2 In view of the prevailing market conditions and cost considerations, as well as the above Irrevocable Undertaking, the Company has decided to proceed with the Rights Issue without underwriting arrangement by any financial institution.

6. WAIVER OF MANDATORY OFFER OBLIGATION ARISING FROM PARTICIPATION IN THE RIGHTS ISSUE BY SMPI

As at the date of this Announcement, the interests of the following parties (collectively, the “**Relevant Shareholders**”) in the Company are as follows:

Relevant Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
SMP Investments (S) Pte Ltd ⁽²⁾	73,246,133	40.27	Nil	Nil	73,246,133	40.27
Rainbow Light Limited	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Thurloe Limited	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Wuthelam Holdings Limited	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Nipsea Holdings International Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Nipsea Chemical Co Ltd (S.K.)	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Nipsea Chemical (Shanghai) Co Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Exim 66 Enterprise Pte Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Nippon Paint Philippines Inc	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Nipsea Holdings (M'sia) Sdn Bhd (in liquidation)	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Nippon Paint (Thailand) Co Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Nippon Paint (Singapore) Co Pte Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Nippon Paint (Vietnam) Co Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Hua Joo Seng Enterprise Bhd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Nippon Paint (M'sia) Sdn Bhd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Nipsea Hardware (M) Sdn Bhd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Regional Business Publication Sdn Bhd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Quality Polymer Sdn Bhd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Desa Baiduri Sdn Bhd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Paint Marketing Co (M) Sdn Bhd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Nipsea Pte Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Nippon Paint (China) Co Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Nippon Paint (HK) Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Langfang Nippon Paint Co Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Suzhou Nippon Paint Yashili Co Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Guangzhou Nippon Paint Co Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Nippon Paint Guangdong	Nil	Nil	73,246,133	40.27	73,246,133	40.27

Co Ltd						
Wuthelam International Investment Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Wuthelam Industries (S) Pte Ltd (in members' voluntary liquidation)	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Delteq (M) Sdn Bhd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Wuthelam Holdings Pte Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Nipsea Technologies Pte Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Jonesworld Industries Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Ritsuji Co Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Castle Development Pte Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Yenom Holdings Pte Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Yenom Industries Pte Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Yenom Labelstocks Pty Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Yenom (Thailand) Co Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Yenom Industries Malaysia Sdn Bhd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Sea Farer Venture Pte Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Yenomland Pte Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Eastside Development Pte Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Northland Industries Pte Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Red Star Development Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Skyland Venture Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Paint Marketing Co Philippines Inc	Nil	Nil	73,246,133	40.27	73,246,133	40.27
PMC (TU) Inc	Nil	Nil	73,246,133	40.27	73,246,133	40.27
PCTS Specialty Chemicals Pte Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
First Industries Corp	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Wigetworks Pte Limited	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Nippon Paint (Chongqing) Chemical Co Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Suzhou Nippon Paint Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Yenom Labelstocks Pty (Sydney) Ltd	Nil	Nil	73,246,133	40.27	73,246,133	40.27
Epimetheus Limited	Nil	Nil	73,246,133	40.27	73,246,133	40.27

Notes:

- (1) Based on 181,878,000 issued Shares as at the date of this Announcement.
- (2) All the corporations listed below SMP Investments (S) Pte Ltd in the above table are deemed interested in all the Shares held by SMP Investments (S) Pte Ltd by virtue of Section 7 of the Companies Act (Chapter 50) of Singapore.

Assuming that none of the Exercisable Share Options are exercised and that all Shareholders subscribe for their *pro rata* entitlements of Rights Shares under the Rights Issue, the shareholdings of the Relevant Shareholders after the completion of the Rights Issue will remain unchanged at 40.27% of the enlarged issued and paid-up share capital of the Company after the Rights Issue.

However, the maximum possible increase in the shareholding of the Relevant Shareholders would occur in the scenario where none of the Exercisable Share Options are exercised and none of the other Shareholders subscribes for their *pro rata* entitlements of Rights Shares under the Rights Issue and only SMPI subscribes for its *pro rata* entitlement of 73,246,133 Rights Shares under the Rights Issue as well as 45,454,545 Rights Shares under the Excess Applications. In such a case, the shareholding of the Relevant Shareholders after completion of the Rights Issue will be 63.86% of the enlarged issued and paid-up share capital of the Company after the Rights Issue ("**Maximum Shareholding Scenario**").

Accordingly, in the Maximum Shareholding Scenario, the aggregate shareholding of each of the Relevant Shareholders which amounts to not less than 30% but not more than 50% of the aggregate voting rights in the Company prior to the Rights Issue, will increase by more than one per cent. (1%) through the subscription of Rights Shares. In that event, the Relevant Shareholders and their concert parties will be required under the Code to make a mandatory general offer (the "**Mandatory Offer**") for the Shares not already owned by them and their concert parties pursuant to Rule 14.1(b) of the Code, unless such obligation is waived by the Securities Industry Council ("**SIC**").

Accordingly, an application was made to the SIC for the waiver of the obligation of the Relevant Shareholders and their concert parties to make a Mandatory Offer for the Shares under Rule 14 of the Code (the "**Whitewash Waiver**"). On 7 May 2010, the SIC granted the Whitewash Waiver subject to the satisfaction of the following conditions:

- (a) a majority of holders of voting rights of the Company present and voting at a general meeting, held before the Rights Issue, approve by way of a poll, a resolution (the "**Whitewash Resolution**") to waive their rights to receive a general offer from the Relevant Shareholders and their concert parties;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) the Relevant Shareholders, their concert parties and parties not independent of them, abstain from voting on the Whitewash Resolution;
- (d) the Relevant Shareholders and their concert parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in the Circular):
 - (i) during the period between this Announcement and the date Shareholders' approval is obtained for the Whitewash Resolution; and

- (ii) in the 6 months prior to this Announcement, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Rights Issue;
- (e) the Company appoints an independent financial adviser to advise its independent Shareholders on the Whitewash Resolution;
- (f) the Company sets out clearly in the Circular:
 - (i) details of the Rights Issue;
 - (ii) the dilution effect of the acquisition of Rights Shares by the Relevant Shareholders pursuant to the Irrevocable Undertaking and the Excess Applications to existing holders of voting rights;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and option in respect of Shares held by the Relevant Shareholders and their concert parties as at the latest practicable date;
 - (iv) the number and percentage of voting rights to be issued to the Relevant Shareholders;
 - (v) specific and prominent reference to the fact that the Rights Issue could result in the Relevant Shareholders holding shares carrying over 49% of the voting rights of the Company based on its enlarged issued share capital, and the fact that the Relevant Shareholders will be free to acquire further shares without incurring any obligation under Rule 14 of the Code to make a general offer;
 - (vi) that Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Relevant Shareholders at the highest price paid by the Relevant Shareholders and their concert parties for the Shares in the past 6 months preceding the commencement of the offer;
- (g) the Circular states that the Whitewash Waiver granted by SIC to the Relevant Shareholders and their concert parties from the requirement to make a general offer under Rule 14 of the Code is subject to the conditions stated at (a) to (f) above;
- (h) the Relevant Shareholders obtain SIC's approval in advance for those parts of the Circular that refer to the Whitewash Resolution; and

- (i) to rely on the Whitewash Resolution, the acquisition of the Rights Shares by the Relevant Shareholders under the Rights Issue must be completed within 3 months of the approval of the Whitewash Resolution.

Provenance Capital Pte. Ltd. has been appointed as an independent financial adviser to advise the independent Directors in respect of the Whitewash Resolution.

A Circular, containing, *inter alia*, the notice of the EGM and information pertaining to the Rights Issue and the Whitewash Resolution, will be despatched to Shareholders in due course.

In the event that the Rights Issue is approved by Shareholders but the Whitewash Resolution is not passed by independent Shareholders at the EGM, and depending on the level of subscription for the Rights Shares by Shareholders other than SMPI, the Company may, pursuant to Rule 820(2) of the Listing Manual of the SGX-ST, scale down the application of SMPI to subscribe for the Rights Shares (whether pursuant to its rights entitlement and/or the Excess Applications) to avoid placing the Relevant Shareholders and their concert parties or any of them in the position of incurring an obligation to make a Mandatory Offer under the Code as a result of Shareholders (other than SMPI) not taking up their rights entitlements fully.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for Mr Goh Hup Jin who has been nominated by SMPI to the Board of Directors of the Company and as disclosed in this Announcement, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Rights Issue other than through their respective shareholdings, direct or indirect, in the Company.

8. RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated in this Announcement are fair and accurate and that no material facts have been omitted therefrom, and they jointly and severally accept responsibility accordingly.

By Order of the Board
SUPERIOR MULTI-PACKAGING LIMITED

Juliana Lee Kim Lian
Liew Meng Ling
Company Secretaries
19 May 2010