

SUPER GROUP LTD.

(Company Registration No. 199101696K)

RELOCATION OF EXISTING PACKAGING PLANT

Introduction

The Board of Directors (the "**Board**") of Super Group Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the packaging plant of the Company's wholly owned subsidiary, Changzhou Super Food Co., Ltd (常州超级食品有限公司) ("**Changzhou Super Food**"), currently located at No. 158, Dongfang Road, Changzhou City, People's Republic of China ("**Existing Land**") is required to be relocated in view of the re-zoning of the area pursuant to the city development plans of the Changzhou City Qishuyan District People's Government ("**Qishuyan District Government**").

In connection therewith, Changzhou Super Food has entered into, *inter alia*, a relocation and compensation agreement ("**Relocation Agreement**") and a supplemental agreement ("**Supplemental Agreement**") with the Qishuyan District Government and Jiangsu Province Changzhou Qishuyan Economic Development Zone Management Committee ("**Qishuyan EDZ Committee**") to set out the terms of the relocation.

Principal Terms of the Relocation Agreement

Pursuant to the Relocation Agreement, the Qishuyan District Government will secure, on behalf of Changzhou Super Food, a parcel of land measuring not less than 120 mu (approximately 80,000 m²) situated in the Qishuyan Economic Development Zone ("**New Land**") in exchange for the Existing Land. The indicative land use fee payable to the land authority for the New Land amounts to RMB26,880,000 (approximately S\$5,303,000) (based on exchange rate RMB:S\$=1:0.19727 as at 17 October 2011) and will be borne by the Qishuyan EDZ Committee. Pursuant to the terms of the Relocation Agreement and Supplemental Agreement, the Qishuyan EDZ Committee shall bear (i) any additional fees payable to the land authority (in the event the final land use fee shall be higher than the indicative land use fee); and (ii) any tax payable on the compensation to be received by Changzhou Super Food.

In addition, the Qishuyan District Government will pay an aggregate sum of RMB35,789,900 (approximately S\$7,060,000) to Changzhou Super Food to cover its costs for rebuilding a new packaging plant and to defray the costs, expenses and losses which Changzhou Super Food may incur in connection with the relocation, such as relocation expenses, losses resulting from work stoppage and damages to inventory.

The aggregate value of the compensation due to Changzhou Super Food pursuant to the Relocation Agreement and the Supplement Agreement, net of any tax payable, is approximately S\$12,363,000.

The New Land will be transferred to Changzhou Super Food in three (3) phases. Based on the terms of the Relocation Agreement, the procedures for the grant of 50 mu of the New Land shall be completed by 31 December 2011, and an additional 30 mu by 31 December 2012. The timing for the transfer of the remaining balance 40 mu shall be determined by the parties at a later date. The transfer of the Existing Land and the relocation of the packaging plant thereon shall be completed in two (2) phases and no later than 31 March 2013.

Financial Effects

It is expected that following completion of the relocation, the Group will record an estimated overall net gain of approximately S\$10,168,000 (subject to clarification with the relevant tax authorities) in its consolidated income statement (after deduction of the estimated costs and expenses associated with the relocation amounting to approximately S\$592,000):

	S\$'000
Aggregate compensation received from relocation	12,363
Less: Net book value of existing land and building	(1,603)
Less: Provision for restoration and relocation expenses	(592)
Estimated overall net gain	<u>10,168</u>

Save as disclosed, the Board does not expect the exercise to have any material impact on the operations of the Changzhou Super Food and/or the Group.

For the purposes of illustration, the financial effects of the relocation, based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2010 ("**FY2010**") and on the assumption that the relocation is carried out in accordance with the Relocation Agreement, are as follows:

Earnings

Assuming that the relocation had been completed on 1 January 2010, the financial effects of the relocation on the earnings of the Group would be as follows:

	S\$'000
Profit attributable to shareholders for FY2010 (S\$'000)	58,355
Add: Gain from the relocation	10,168
Proforma after the relocation	<u>68,523</u>
Weighted average number of shares	547,554
Earnings per share (S\$ cents)	12.51

Net tangible asset

Assuming that the relocation had been completed on 31 December 2010, the net tangible assets ("**NTA**") per share of the Group for FY2010, would be as follows:

	S\$'000
Net tangible assets (" NTA ") of the Group as at 31 December 2010 (S\$'000)	326,700
Add: Gain from the relocation	10,168
Proforma after the relocation	<u>336,868</u>
Number of shares	557,370
NTA per share (S\$ cents)	60.44

**BY ORDER OF THE BOARD
SUPER GROUP LTD**

Tan Cher Liang
Company Secretary
17 October 2011