



SM SUMMIT HOLDINGS LIMITED

(Incorporated in Singapore)
(Co . Reg . N o.: 198401088W)

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SUMMARY SHEET FOR RENEWAL OF SHARES PURCHASE MANDATE

(A) Shares Purchased In The Previous Twelve Months

Pursuant to the renewal of the shares purchase mandate obtained at the Annual General Meeting on 28 April 2009, the Company had not bought back any ordinary shares in the capital of the Company (the “Shares”) by way of market or off-market acquisitions.

(B) Renewal of The Shares Purchase Mandate

The Ordinary Resolution No. 8, if passed at the Annual General Meeting, will renew the Shares Purchase Mandate approved by the shareholders of the Company from the date of the Annual General Meeting until the date that the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier.

(C) Rationale For The Shares Purchase Mandate

Short term speculation may at times cause the market price of the Company’s Shares to be depressed below the true value of the Company and the Group. The proposed Shares Purchase Mandate will provide the Directors with the means to restore investors’ confidence and to protect existing shareholders’ investments in the Company in a depressed share-price situation through judicious Shares purchases to enhance the earnings per Share and/or the net asset value per Share. The Shares purchases will enhance the net asset value per Share if the Shares purchases are made at a price below the net asset value per Share.

The proposed Shares Purchase Mandate will also provide the Company with an expedient and cost-effective mechanism to facilitate the return of surplus cash reserves to the shareholders, as and when the Directors are of the view that this would be in the best interests of the Company and the shareholders.

The Directors will only make a Share purchase as and when the circumstances permit and only if the Directors are of the view that such purchases are in the best interests of the Company and the shareholders. The Directors will decide whether to purchase Shares only after taking into account, among other things, the market conditions at such time, the Company’s financial condition and whether such purchases will cause the Company to become insolvent (i.e. the Company is unable to pay its debts as they become due in the ordinary course of business, or the value of the Company’s assets is less than the value of its liabilities including contingent liabilities), and whether such purchases represent the most efficient and cost-effective approach to enhance Share value. Shares purchases will only be made if the Directors believe that such purchases are likely to benefit the Company and increase economic value for shareholders.

The Directors will ensure that the Share purchases will not have any effect on the listing of the Company's securities including the Shares listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). Rule 723 of the Listing Manual of the SGX-ST requires at least ten per cent. (10%) of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The Directors shall safeguard the interests of public shareholders before undertaking any Shares purchases. Before exercising the Shares Purchase Mandate, the Directors shall at all times take due cognisance of (a) the then shareholding spread of the Company in respect of the number of Shares held by substantial shareholders and by non-substantial shareholders and (b) the volume of trading on the SGX-ST in respect of the Shares immediately before the exercise of any Shares purchase.

Currently, 181,192,302 Shares (49.99%) of a total of 362,419,500 Shares issued by the Company (excluding treasury shares) are held by public shareholders. The Company is of the view that there are sufficient number of Shares in issue held by public shareholders which would permit the Company to undertake Shares purchases of up to ten per cent. (10%) of its issued Shares (excluding treasury shares) without affecting the listing status of the Shares on the SGX-ST. The Company will ensure that the Shares purchases will not cause market illiquidity or affect orderly trade.

(D) Financial Impact Of The Proposed Shares Purchases

1. The purchased Shares shall be cancelled immediately on purchase or acquisition.

Any Shares Purchase will:

- (i) reduce the amount of the Company's share capital where the Shares were purchased or acquired out of the capital of the Company;
- (ii) reduce the amount of the Company's profits where the Shares were purchased or acquired out of the profits of the Company; or
- (iii) reduce the amount of the Company's share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company;

by the total amount of the purchase price paid by the Company for the Shares cancelled.

2. The financial effects on the Company and the Group arising from the proposed purchases of the Company's Shares which may be made pursuant to the proposed Shares Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased and the consideration paid at the relevant time.
3. Based on the existing issued Shares of the Company (excluding treasury shares), which is 362,419,500 Shares as at 29 March 2010 (the "Latest Practicable Date"), the proposed purchases by the Company of up to a maximum of ten per cent. (10%) of its issued Shares under the Shares Purchase Mandate will result in the purchase of 36,241,950 Shares.
4. An illustration of the impact of Shares purchases by the Company pursuant to the Shares Purchase Mandate on the Group's and the Company's financial position is set out below based on the following assumptions:
 - (a) audited accounts of the Group and the Company as at 31 December 2009;
 - (b) in full exercise of the Shares Purchase Mandate, 36,241,950 Shares were purchased;
 - (c) the maximum price for the market purchases is \$0.098, which is five per cent. (5%) above the average closing prices of the Shares over the last five market days preceding the Latest Practicable Date on which the transactions in Shares were recorded on the SGX-ST; and
 - (d) the maximum amount of funds required for the Shares purchases in the aggregate is approximately \$3,552,000.

Market Purchases

	Group before Shares purchase (\$'000)	Group after Shares purchase (\$'000)	Company before Shares purchase (\$'000)	Company after Shares purchase (\$'000)
As at 31 December 2009				
Shareholders' funds	\$48,423	\$44,871	\$45,742	\$42,190
Net tangible assets	\$47,937	\$44,385	\$45,742	\$42,190
Current assets	\$43,316	\$39,764	\$20,362	\$16,810
Current liabilities ¹	\$14,220	\$14,220	\$1,659	\$1,659
Cash and cash equivalents	\$20,602	\$17,050	\$4,736	\$1,184
Short-term investments	\$0	\$0	\$0	\$0
Number of shares ('000)	362,420	326,178	362,420	326,178

Financial Ratios

Net tangible assets per Share	\$0.1323	\$0.1361	\$0.1262	\$0.1293
Gearing ²	0.0348	0.0375	0.0018	0.0020
Current ratio ³	3.05	2.80	12.27	10.13

¹ The above computation assumes that the maximum number of Shares is purchased.

² Gearing equals borrowings divided by total equity and borrowings.

³ Current ratio equals current assets divided by current liabilities.

- Shareholders should note that the financial effects set out above are based on the audited financial accounts of the Group and the Company for the financial year ended 31 December 2009 and are for illustration only. The results of the Group and the Company for the financial year ended 31 December 2009 may not be representative of future performance.
- The Company intends to use its internal sources of funds to finance its purchases of the Shares. The Company does not intend to obtain or incur any borrowings to finance its purchases of the Shares. The Directors do not propose to exercise the Shares Purchase Mandate in a manner and to such extent that the working capital requirements of the Group would be materially affected.

The Company will take into account both financial and non-financial factors, among other things, the market conditions at such time, the Company's financial condition, the performance of the Shares and whether such Shares purchases would represent the most efficient and cost-effective approach to enhance the Share value. Shares purchases will only be made if the Directors believe that such purchases are likely to benefit the Company and increase economic value for shareholders.

(E) Consequences of Shares Purchases Under The Singapore Code on Take-overs and Mergers

- In accordance with The Singapore Code on Take-overs and Mergers (the "Take-over Code"), a person will be required to make a general offer for a public company if:
 - he acquires 30 per cent. (30%) or more of the voting rights of the company; or
 - he already holds between 30 per cent. (30%) and 50 per cent. (50%) of the voting rights of the company, and he increases his voting rights in the company by more than one per cent. (1%) in any six-month period.
- As at the Latest Practicable Date and before the proposed Shares Purchase Mandate, the substantial shareholders' and Directors' interests are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of shares	%	Number of shares	%	Number of shares	%
Directors						
Lee Kerk Chong ⁽¹⁾	14,932,543	4.120	43,500,000	12.003	58,432,543	16.123
Kong Chee Min	34,375	0.009	–	–	34,375	0.009
Chandra Mohan s/o Rethnam	–	–	–	–	–	–
Gn Hiang Meng	–	–	450,000	0.124	450,000	0.124
Mak Bang Mui	–	–	–	–	–	–
Tang Kay Hwa	–	–	–	–	–	–

	Direct Interest		Deemed Interest		Total Interest	
	Number of shares	%	Number of shares	%	Number of shares	%
Holders of 5% or more						
Thinkpac Limited ⁽²⁾	–	–	90,000,000	24.833	90,000,000	24.833
Loh Kim Kang David ⁽³⁾	20,103,000	5.547	90,000,000	24.833	110,103,000	30.380
Han Seng Juan ⁽⁴⁾	6,144,000	1.695	90,000,000	24.833	96,144,000	26.528

Notes

- (1) Lee Kerk Chong has a beneficial interest in: 37,500,000 Shares, 3,000,000 Shares, 3,000,000 Shares held by United Overseas Bank Nominees Pte Ltd, UOB Kay Hian Pte Ltd and CIMB-GK Securities Pte Ltd respectively.
- (2) Thinkpac Limited has a beneficial interest in 90,000,000 shares held by UOB Kay Hian Pte Ltd
- (3) Loh Kim Kang David is deemed interested in the 90,000,000 shares held by Thinkpac Limited by virtue of his shareholdings in Thinkpac Limited.
- (4) Han Seng Juan is deemed interested in the 90,000,000 shares held by Thinkpac Limited by virtue of his shareholdings in Thinkpac Limited.

In the event the Company undertakes Shares purchases of up to ten per cent. (10%) of the issued Shares of the Company (excluding treasury shares) as permitted by the Shares Purchase Mandate, the shareholdings and voting rights of Thinkpac Limited, Loh Kim Kang David and Han Seng Juan may be increased from approximately 32.1% to approximately 35.6%. Accordingly, their shareholdings and voting rights may thus be increased by more than one per cent. (1%) within a six-month period and they may be required to make a general offer to the other shareholders under Rule 14.1(b) of the Take-over Code.

3. The Securities Industry Council has granted approval in-principle to exempt Thinkpac Limited, Loh Kim Kang David and Han Seng Juan and persons acting in concert with them from the requirement to make a general offer under Rule 14.1(b) of the Take-over Code after any Shares purchase subject to the following conditions:
 - (a) the Summary Sheet on the resolution to renew the proposed Shares Purchase Mandate contains advice to the effect that by voting for the Shares Purchase Mandate resolution, shareholders are waiving their rights to a general offer at the required price from Thinkpac Limited, Loh Kim Kang David and Han Seng Juan and parties acting in concert with them who, as a result of the Company buying back its shares, would increase their percentage of total voting rights by more than one per cent. (1%) in any six-month period; the names of Thinkpac Limited, Loh Kim Kang David and Han Seng Juan and their concert parties and their voting rights at the time of the annual general meeting and after the proposed Shares purchases are disclosed in the same Summary Sheet;
 - (b) the resolution to renew the proposed Shares Purchase Mandate is approved by a majority of those shareholders present and voting at the meeting on a **poll** who could not become obliged to make an offer as a result of the proposed Shares purchases;
 - (c) Thinkpac Limited, Loh Kim Kang David and Han Seng Juan and their concert parties do not vote for and/or recommend shareholders to vote in favour of the resolution to renew the proposed Shares Purchase Mandate; and
 - (d) Thinkpac Limited, Loh Kim Kang David and Han Seng Juan and their concert parties have not acquired and will not acquire any Shares between the date on which they know that the announcement of the proposed Shares Purchase Mandate is imminent and the earlier of (i) the date on which the authority of the Shares Purchase Mandate expires; and (ii) the date the Company announces that it has bought back such number of Shares in the Company as authorised by the proposed Shares Purchase Mandate or the date it decides to cease buying back its Shares, as the case may be, if such acquisitions, taken together with the proposed Share Purchase, would cause their aggregate voting rights in the Company to increase by more than one per cent. (1%) in any six-month period.

If the Company ceases to buy back its Shares and the increase in the voting rights held by Thinkpac Limited, Loh Kim Kang David and Han Seng Juan and their concert parties as a result of the Company repurchasing its Shares at the time of such cessation is less than one per cent. (1%) in any six-month period, Thinkpac Limited, Loh Kim Kang David and Han Seng Juan and their concert parties will be allowed to acquire voting Shares in the

Company. However, any increase in Thinkpac Limited's, Loh Kim Kang David's and Han Seng Juan's and their concert parties' percentage of voting rights as a result of the Company's repurchases of its own Shares will be taken into account together with any Shares acquired by Thinkpac Limited, Loh Kim Kang David and Han Seng Juan and their concert parties (by whatever means) in determining whether Thinkpac Limited, Loh Kim Kang David and Han Seng Juan and their concert parties have increased their aggregate voting rights in the Company by more than one per cent. (1%) in any six-month period.

It should be noted that approving the Shares Purchase Mandate will constitute a waiver by the shareholders in respect of their right to a general offer by Thinkpac Limited, Loh Kim Kang David and Han Seng Juan at the Required Price.

4. Thinkpac Limited, Loh Kim Kang David and Han Seng Juan and their concert parties have to-date complied with the requirement listed in paragraph 3(d) above.
5. Thinkpac Limited, Loh Kim Kang David and Han Seng Juan and their concert parties will abstain from voting at the Annual General Meeting in respect of the Ordinary Resolution 8 relating to the Renewal of Shares Purchase Mandate in view of the take-over consequences set out in paragraph 3 above and will not accept nominations as proxy or otherwise for voting at the Annual General Meeting in respect of the said ordinary resolution.

(F) Miscellaneous

1. Any Shares purchases undertaken by the Company shall be at a price of up to but not exceeding the Maximum Price. The "Maximum Price" means the maximum price at which the Shares can be purchased pursuant to the Shares Purchase Mandate, which in the case of a market purchase, shall not be more than five per cent. (5%) above the average closing price of the Shares over the period of five (5) market days in which transactions on the Shares were recorded, before the day on which such purchase is made and deemed to be adjusted for any corporate action that occurs after the relevant five (5) day period, and in the case of an off-market purchase, immediately preceding the date of offer by the Company, as the case may be.
2. In making Share purchases, the Company will comply with the requirements of the SGX-ST Listing Manual, in particular, Rule 886 with respect to notification to the SGX-ST of any Shares purchases. Rule 886 is reproduced below:

"(1) An issuer must notify the Exchange of any share buy-back as follows:-

 - (a) In the case of a market acquisition, by 9.00 am on the market day following the day on which it purchased shares,
 - (b) In the case of an off market acquisition under an equal access scheme, by 9.00 am on the second market day after the close of acceptances of the offer.

(2) Notification must be in the form of Appendix 8.3.1 (or 8.3.2 for an issuer with a dual listing on another stock exchange)."
3. Shares Purchases will be made in accordance with the "Guidelines on Shares Purchases" as set out in Appendix II of the Company's Circular to Shareholders dated 7 June 1999, as amended in accordance with the requirements of the SGX-ST Listing Manual. Appendix I has been amended to comply with amendments to the Companies Act (Cap 50) effective 30 January 2006.

(G) Directors' Recommendation

The Directors of the Company are of the opinion that the renewal of the proposed Shares Purchase Mandate is in the best interests of the Company. Accordingly, the Directors of the Company recommend that shareholders vote in favour of Ordinary Resolution 8.

(H) Directors' Responsibility Statement

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated in this Summary Sheet are accurate and that there are no material facts the omission of which would make any statement in this Summary Sheet misleading.

GUIDELINES ON SHARES PURCHASES

1. SHAREHOLDERS' APPROVAL

- (a) Repurchases of Shares by the Company must be approved in advance by the Shareholders at a general meeting of the Company, by way of a general mandate.
- (b) A general mandate authorising the repurchase of Shares by the Company representing up to ten per cent. (10%) of the Company's issued Shares (excluding treasury shares) will expire on the earlier of:-
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
 - (iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting.
- (c) The authority conferred on the Directors by the Shares Repurchase Mandate to repurchase Shares shall be renewed at the next annual general meeting of the Company.
- (d) When seeking Shareholders' approval for the renewal of the Shares Repurchase Mandate, the Company shall disclose details pertaining to the purchases of Shares made during the previous 12 months (whether market acquisitions or off-market acquisitions in accordance with an equal access scheme), including the total number of Shares purchased, the purchase price per Share or the highest and lowest price for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

2. MODE OF PURCHASE

Shares Purchases can be effected by the Company in either one of the following two ways or both:-

- (i) by way of market purchases of Shares on the SGX-ST; or
- (ii) by way of off-market acquisitions on an equal access scheme in accordance with Section 76C of the Companies Act.

3. FUNDING OF SHARES REPURCHASES

- (a) In repurchasing the Shares, the Company may only apply funds legally permitted for such purchase in accordance with its Articles of Association, and the relevant laws and regulations enacted or prescribed by the relevant competent authorities in Singapore.
- (b) Any repurchase of Shares by the Company may be made out of capital or profits that are available for distribution as dividends, so long as the Company is solvent (as defined by Section 76F(4) of the Act).
- (c) The Company may not purchase its Shares on the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

4. TRADING RESTRICTIONS

The number of Shares which can be repurchased pursuant to the Shares Repurchase Mandate is such number of Shares which represents up to a maximum of ten per cent. (10%) of the issued Shares (excluding treasury shares) of the Company as at date of the last annual general meeting of the Company or at the date of the Extraordinary General Meeting, whichever is the higher, unless

the Company has effected a reduction of the issued share capital of the Company in accordance with the applicable provisions of the Companies Act (Cap. 50), at any time during the relevant period, in which event the total number of issued Shares of the Company shall be taken to be the total number of the issued Shares of the Company as altered excluding any treasury shares that may be held by the Company from time to time. For the purposes of calculating the percentage of issued Shares above, any of the Shares which are held as treasury shares will be disregarded.

5. PRICE RESTRICTIONS

Any Shares Purchase undertaken by the Company shall be at the price of up to but not exceeding the Maximum Price.

6. OFF-MARKET PURCHASES

- (a) For purchases of Shares made by way of an Off-Market Purchase, the Company shall issue an offer document to all Shareholders. The offer document shall contain, *inter alia*, the following information:-
- (i) the terms and conditions of the offer;
 - (ii) the period and procedures for acceptances;
 - (iii) the reasons for the proposed Shares repurchase;
 - (iv) the consequences, if any, of Shares repurchase by the Company that will arise under the Take-over Code or any other applicable take-over rules;
 - (v) whether the repurchase of Shares, if made, would have any effect on the listing of the Company's securities on the SGX-ST; and
 - (vi) details of any repurchase of Shares made by the Company in the previous 12 months whether through Market Purchases or Off-Market Purchases, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.
- (b) All Offeree Shareholders shall be given a reasonable opportunity to accept any offer made by the Company to purchase their Shares under the Shares Repurchase Mandate.
- (c) The Company may offer to repurchase Shares from time to time under the Shares Repurchase Mandate subject to the requirement that the terms of any offer to repurchase Shares by the Company shall be *pari passu* in respect of all Offeree Shareholders save under the following circumstances:-
- (i) where there are differences in consideration attributable to the fact that an offer relates to Shares with different dividend entitlements;
 - (ii) where there are differences in consideration attributable to the fact that an offer relates to Shares with different amounts remaining unpaid; and
 - (iii) where there are differences in an offer introduced solely to ensure that every Shareholder is left with a whole number of Shares in board lots of 1000 Shares after the Shares Purchases, in the event there are Offeree Shareholders holding odd numbers of Shares.

7. STATUS OF PURCHASED SHARES

The listing of all repurchased Shares on the SGX-ST will be automatically cancelled and the relative certificates for these Shares shall be cancelled and destroyed. The purchased Shares shall be cancelled immediately on purchase or acquisition and all rights and privileges attached to those Shares expire on cancellation.

Any Shares Purchase will:

- (i) reduce the amount of the Company's share capital where the Shares were purchased or acquired out of the capital of the Company;
- (ii) reduce the amount of the Company's profits where the Shares were purchased or acquired out of the profits of the Company; or
- (iii) reduce the amount of the Company's share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company;

by the total amount of the purchase price paid by the Company for the Shares cancelled.

8. NOTIFICATION TO ACCOUNTING AND CORPORATE REGULATORY AUTHORITY (“ACRA”)

- (a) Within thirty (30) days of the passing of a Shareholders' resolution to approve any repurchase of Shares, the Company shall lodge a copy of such resolution with ACRA.
- (b) The Company shall notify ACRA within thirty (30) days of a repurchase of Shares. Such notification shall include details of the date of the repurchase, the total number of Shares repurchased by the Company, the Company's total number of issued Shares before the repurchase and after the repurchase and the amount of consideration paid by the Company for the repurchase.

9. NOTIFICATION TO THE SGX-ST

For purchases of Shares made by way of an Off-Market Purchase, the Company shall notify the SGX-ST in respect of any acquisition or purchase of Shares in the relevant form prescribed by the SGX-ST from time to time, not later than 9.00 a.m. on the second trading day after the close of acceptances of an offer, or within such time period that may be prescribed by the SGX-ST from time to time.

For purchases of Shares made by way of a Market Purchase, the Company shall notify the SGX-ST in respect of any acquisition or purchase of Shares in the relevant form prescribed by the SGX-ST from time to time, not later than 9.00 a.m. on the trading day following the date of market acquisition by the Company, or within such time period that may be prescribed by the SGX-ST from time to time.

10. SUSPENSION OF PURCHASE

The Company may not undertake any repurchases of Shares prior to the announcement of any price-sensitive information by the Company, until such time as the price sensitive information has been publicly announced or disseminated in accordance with the requirements of the Listing Manual.

The Company may not effect any repurchases of Shares on the SGX-ST during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one month before half year or financial year, as the case may be, and ending on the date of announcement of the relevant results.