

Announcement to the Bursa Malaysia Securities Berhad

SUPER ENTERPRISE HOLDINGS BERHAD (“Super” or “the Company”) - PROPOSED PURCHASE BY THE COMPANY OF ITS OWN ORDINARY SHARES - PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

1. Introduction

The Board of Directors of Super wishes to announce that the Company proposes to seek approval of its shareholders for the following proposals at the forthcoming Annual General Meeting (“AGM”):-

- (a) Proposed Purchase by the Company of its own ordinary shares (“Proposed Share Buy-Back”)
 - (b) Proposed Amendments to the Memorandum and Articles of Association of the Company (“Proposed Amendments”)
- (collectively referred to as “Proposals”)

2. Proposed Amendments

Details of the Proposed Amendments

The Company is proposing to make changes to the Memorandum and Articles of Association of the Company to incorporate new provisions to allow the Company to purchase its own shares pursuant to Section 67A of the Companies Act, 1965 and to facilitate the implementation of the Proposed Share Buy-Back.

Rationale for the Proposed Amendments

The Proposed Amendments is necessary to facilitate the implementation of the Proposed Share Buy-Back.

3. Proposed Share Buy-Back

Details of the Proposed Share Buy-Back

The Board proposes to seek authority from shareholders to purchase up to 4,181,100 ordinary shares of RM1.00 each fully paid-up in Super (“Shares”), representing 10% of the issued and paid up share capital of Super as at 23 August 2011, on the Bursa Malaysia Securities Berhad (“Bursa Securities”) through a stockbroker to be appointed at a later date. The issued and paid-up share capital of Super as at 23 August 2011 remained at RM41,811,000 comprising 41,811,000 ordinary shares of RM1.00 each.

The approval from the shareholders for the Proposed Share Buy-Back would be effective immediately upon the passing of the ordinary resolution for the Proposed Share Buy-Back at the forthcoming AGM and shall be valid until:

- (i) The conclusion of the next AGM of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;
- (ii) The expiration of the period within the next AGM of the Company is required by law to be held; or
- (iii) Revoked or varied by ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

Nevertheless, shareholders' approval for the Proposed Share Buy-Back does not impose an obligation on the Company to purchase its own shares on the Bursa Securities.

Rather, the Proposed Share Buy-Back gives the Directors of the Company the discretion to exercise the authority granted to purchase the Super Shares as and when they deem fit in accordance with the working capital requirements of the Company and the pricing of the Super Shares.

The Company may retain the purchased shares as treasury shares or cancel the shares purchased or a combination of both.

Rationale for the Proposed Share Buy-Back

The Proposed Share Buy-Back will enable the Company to utilise its surplus financial resources to purchase its own Shares from Bursa Securities. It may stabilise the supply and demand of its Shares traded on Bursa Securities, thereby supporting its fundamental value.

The Proposed Share Buy-Back, whether to be held as treasury shares or subsequently cancelled, will effectively reduce the number of Shares carrying voting and participation rights. Therefore, the shareholders of the Company may enjoy an increase in the value of their investment in Super due to the increase in the Company's Earnings per share ("EPS").

The purchased Shares can be held as treasury shares and resold on Bursa Securities at a higher price with the intention of realising potential gain without affecting the total issued and paid-up share capital of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

Effects of the Proposed Share Buy-Back

(i) Share Capital

The effects of the Proposed Share Buy-Back on the share capital of Super will depend on the intention of the Board with regards to the treatment of the purchased Super Shares. If the purchased Super Shares are cancelled,

it will result in a reduction on the total issued and paid-up share capital of the Company as shown in the table below.

Conversely, if the purchased Super Shares are retained as treasury shares, the Proposed Share Buy-Back will not have any effect on the issued and paid-up share capital of Super. Nevertheless, certain rights attached to the Super Shares will be suspended while they are held as treasury shares.

	No. of Super Shares	Amount (RM)
Existing issued and paid-up share capital (as at 23 August 2011)	41,811,000	41,811,000
Maximum number of Super Shares that may be purchased and cancelled under Proposed Share Buy-Back	4,181,100	4,181,100
Resulting Issued and paid-up share capital	<u>37,629,900</u>	<u>37,629,900</u>

(ii) Net Asset (“NA”) and Working Capital

The effects of the Proposed Share Buy-Back on the NA per share of Super are dependent on the actual purchase prices of the Super Shares.

If all Shares purchased are cancelled, the Proposed Share Buy-Back will reduce the NA per share if the purchase price exceeds the NA per share at the time of the purchase. Conversely, the NA per share will increase if the purchase price is less than the NA per share at the time of the purchase.

The audited NA per share of Super and its subsidiaries (“Group”) as at 31 March 2011 was RM1.79.

The Proposed Share Buy-Back will reduce the working capital of Super Group, with the quantum depending on the purchase price and the actual number of Super Shares bought back.

The NA per share will decrease if the purchase shares are retained as treasury shares due to the requirement for treasury shares to be carried at cost resulting in a decrease by the cost of the treasury shares.

If the treasury shares are subsequently resold on Bursa Securities, the NA per Share of the Super Group upon the resale will increase if the Company realises a gain from the resale, and vice-versa. If the treasury shares are distributed as dividends, the NA of the Super Group will be reduced by the cost of the treasury shares.

(iii) Earnings

The effects of the Proposed Share Buy-Back on the earnings of Super are dependent on the purchase price of Super Shares, the number of Shares

purchased and the effective funding cost and/or loss of interest income to the Group thereof.

The Proposed Share Buy-Back will not have any impact on the consolidated EPS of Super for the financial year ended 31 March 2011 as it will only be implemented thereafter. The effective reduction in the number of Shares applied in the computation of the consolidated EPS pursuant to the Proposed Share Buy-Back may generally, all else being equal, have a positive impact on the consolidated EPS of Super for the financial year ending 31 March 2012.

If the treasury shares are subsequently sold on Bursa Securities, there will be no impact on the earnings as the gain or loss is taken directly to the equity.

(iv) Dividend

The Proposed Share Buy-Back may have an impact on the Company's dividend policy as it may reduce the cash available which may otherwise be used for dividend payments. Any dividend to be declared in the immediate future will depend on the performance and cash resources of Super Group. Further, the treasury shares may be distributed as dividends to shareholders, if the Directors of the Company so decide.

5. Directors' and Substantial Shareholders' Interests

Save for the inadvertent proportionate increase in the percentage shareholdings of the Directors and substantial shareholders of Super as a result of the decrease in the issued and paid-up share capital after the Proposed Share Buy-Back, insofar as the Directors are aware, none of the Directors and/or substantial shareholders and/or persons connected to them has any interest, direct or indirect, in the Proposed Share Buy-Back, the subsequent resale of treasury shares, if any, or Proposed Amendments.

6. Approval Required

The Proposals are subject to the approval being obtained from the shareholders of the Company at the forthcoming AGM.

7. Directors' Recommendation

The Board of Super, having considered all aspects of the Proposals, is of the opinion that the Proposals are in the best interest of the Company.

A Circular to Shareholders containing details in relation to the Proposals, will be distributed to shareholders together with the Annual Report of the Company for the financial year ended 31 March 2011 in due course.

This announcement is dated 23 August 2011.