

Corporate Governance Report

INTRODUCTION

The Board of SFI and its Management continue to be committed to maintaining high standards of corporate conduct and place overriding importance on its Corporate Governance practices and systems, so as to ensure transparency and protection of shareholder interests.

Our principles of corporate governance reflect our belief that integrity, excellence in execution and commitment by our people supported by sound policies, practices and internal controls are essential elements that will help us create long-term value and returns for our shareholders.

Integrity and professionalism are the cornerstones of our commitment to build a top class Company of which our shareholders, staff, customers, suppliers and other stakeholders can be justifiably proud of.

This Report sets out the Corporate Governance practices that are in place in the SFI Group with specific reference to the Code of Corporate Governance ("the Code") issued by the Corporate Governance Committee. In developing its Corporate Governance practices, the Board and its Management have applied itself diligently in observing the spirit and achieving the intent of the Code as opposed to just complying in form.

(A) Board Matters

The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the Company.

The Board oversees the business affairs of the Group. Every director is expected to act in good faith and always in the best interests of the Company.

The principal functions of the Board are :

- Guiding the business strategies and direction of the Group's various businesses. This includes setting broad policies, strategies and financial objectives and monitoring the achievement of these objectives;
- Overseeing that proper risk management processes are put in place to ensure that key potential risks faced by the Group's various businesses are properly identified and managed. This includes evaluating the adequacy of internal controls, risk management processes, financial reporting and compliance practices;
- Approving nominations to the Board of directors and appointment of key personnel to ensure effective management leadership with the highest level of integrity;
- Approving annual budgets, major funding proposals, investment and divestment proposals; and
- Providing oversight in the proper conduct of the Company's business and assuming responsibility for corporate governance.

The Board meets regularly to review the Group's performance, to deliberate on specific issues including major acquisitions and disposals, to approve the annual budget and to approve the release of the half-yearly and year-end financial results. The Board delegates certain specific responsibilities to board committees described in pages 31, 33, and 36. The Board also meets without the presence of Management at least once a year to review the performance of the CEO and Management and to review Board performance. A total of three board meetings was held in the year.

A record of each director's Board Committee memberships and attendance at Board and Board Committee meetings during the financial year ended 31 December 2005 is set out on page 31 of this Report. In addition, the Board also has regular informal discussions and/or meetings outside of formal board meetings.

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The Group has in place financial authorisation and approval limits for, amongst others, operating and capital expenditures, investments and divestments, material contracts, bank borrowings and operating the Group's various bank accounts. Board approval is required for these matters if they exceed certain limits whilst authority for transactions below the limits are delegated to management for operational efficiency.

Changes to regulatory and accounting standards are also closely monitored by Management and, where applicable, approved by the Audit Committee. To keep pace with regulatory changes, where these changes have an important bearing on the Company's or directors' obligations, directors are briefed either during Board meetings or at specially-convened sessions.

Newly-appointed directors are given briefings on the business activities of the Group and its strategic directions.

Board Composition and Balance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board at the date of this report comprises eight directors of whom seven are non-executive directors. The executive Director is Peter Tay Buan Huat who is the President & Chief Executive Officer ("CEO") of the Group. The new Chairman with effect from 9 January 2006, Tan Yam Pin, is an independent and non-executive Director appointed during the year. One new non-executive director, Margaret Lui-Chan Ann Soo, who is a nominee of the principal shareholder was also appointed during the year. The remaining six non-executive directors, including two new non-executive directors, Jackson Tang Yew Kay and Mary Yeo Chor Gek, appointed during the year, are independent of both the management and the principal shareholder. The independence of each director is reviewed annually by the Nominating Committee.

The Board comprises business leaders and professionals with industry and financial backgrounds. The directors as a group bring with them a broad range of expertise and experience in areas such as accounting or finance, business and management and the requisite industry knowledge. This enables Management to benefit from the diverse and external perspectives of issues brought before the Board. Together with a clear separation of the role of a non-executive Chairman and the CEO, this provides a professional relationship between the Board and Management with clarity of roles and proper oversight. The profile of each director is set out on pages 24 to 25.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities at the top of the Company - the working of the Board and the executive responsibility of the Company's business - which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

The Chairman and CEO are separate persons in order to maintain effective oversight. No individual or small group of individuals dominate the Board's decision making process. In addition, the Board meets without the presence of Management at least once a year to review the performance of Management and the Board. The CEO and Senior Management also regularly consult with individual Board members and seek the advice of members of the Board Committees through meetings, telephone calls as well as by electronic mail.

The Chairman who is non-executive is responsible for the proper functioning of the Board and is free to act independently in the best interests of the company and its shareholders. The Chairman ensures that each member of the Board works well together with the Management engaging Management in constructive discussions over various matters, including strategic issues and business planning processes.

The CEO has full executive responsibilities over the running of the Group's businesses, the business direction and operational decisions of the Group.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board. As a principle of good corporate governance, all directors should be required to submit themselves for re-nomination and re-election at regular intervals.

The Nominating Committee reviews and assesses candidates for directorships before making recommendations to the Board. In recommending new directors to the Board, the Nominating Committee takes into consideration the skills and experience required, the current composition of the Board and the size of the Board, and strives to ensure that the Board has an appropriate balance of independent directors as well as directors with the right profile of expertise, skills, attributes and ability. The Nominating Committee considers that the current number of directors is adequate.

Pursuant to our Articles of Association, one-third of our directors, including the CEO, retire and subject themselves to re-election by shareholders at every Annual General Meeting ("AGM") ("one-third rotation rule"). In addition, a newly-appointed director during the year submits himself for retirement and re-election at the AGM immediately following his appointment. Thereafter, he is subject to the one-third rotation rule.

To assist the Board in the execution of its duties, the Board has established various Board Committees, namely the Audit Committee, the Nominating Committee, the Executive Resource and Compensation Committee ("ERCC"), the Strategic Review Committee and the Budget Review Committee, each of which is empowered to make decisions on matters within its terms of reference.

Name	Board		Audit Committee		Strategic Review Committee		Budget Review Committee		Nominating Committee & ERCC	
	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended	Number of Meetings Held	Number of Meetings Attended
George Huang Chang Yi ¹	3	3			2	2			2	2
Tan Yam Pin ²	0	0							0	0
Peter Tay Buan Huat	3	3			2	2	2	2		
Phillip Tan Yuen Fah	3	3	4	4					2	2
Patrick Yeoh Khwai Hoh ³	2	1	4	3						
Roger Yeo Kok Tong ⁴	2	1			1	0	0	0		
Chow Kok Kee	3	3					2	2	2	2
John Lim Kok Min	3	3	4	4						
Jackson Tang Yew Kay ⁵	1	1	0	0						
Mary Yeo Chor Gek ⁶	1	1			0	0	1	1		
Margaret Lui-Chan Ann Soo ⁷	0	0							0	0

1 : Resigned on 9 January 2006

2 : Appointed on 1 December 2005

3 : Resigned on 31 October 2005

4 : Resigned on 31 July 2005

5 : Appointed on 1 August 2005 and Member of the Audit Committee on 1 November 2005.

6 : Appointed on 1 September 2005 and Member of the Strategic Review Committee and Budget Review Committee on 1 September 2005

7 : Appointed on 1 December 2005

Membership in the different committees is carefully managed to ensure that there is equitable distribution of responsibilities among board members, to maximize the effectiveness of the Board and to foster active participation and contribution from board members. Diversity of experiences and appropriate skills are also considered. Minutes of Board Committee meetings are circulated to the Chairman and to Board members as appropriate.

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Board Performance

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

We believe that Board performance is ultimately reflected in the performance of SFI. The Board should ensure compliance with applicable laws and board members should act in good faith, exercising due diligence and care and always acting in the best interests of the Company and its shareholders. In addition to these fiduciary duties, the Board is charged with two key responsibilities i.e. setting strategic directions and ensuring that the Company is ably led. The measure of a board's performance is also tested through its ability to lend support to Management especially in times of crisis and to steer SFI in the right direction, including dealing with the sensitive but important issue of CEO succession.

The Board, through its Nominating Committee, has used its best efforts to ensure that directors appointed to our Board collectively possess the necessary background, experience and knowledge in the food industry, have competencies in business and finance and have the appropriate management skills critical to the Company's businesses. Each director with his special contributions brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

Directors must ensure that they are able to give sufficient time and attention to the affairs of the Company and, as part of its review process, the Nominating Committee assesses whether or not a director has been adequately carrying out, and is able to carry out, his duties as a director of the Company.

A formal review of the Board's performance is undertaken collectively by the Board annually and informally on a continual basis by the Nominating Committee with inputs from Board members and the CEO. Renewals or replacement of Board members do not necessarily reflect their contributions to date, but may be driven by the need to position and shape the board in line with the needs of the Company and its business.

Access to Information

Principle 6: In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

In order to ensure that the Board is able to fulfil its responsibilities, Management provides Board members with monthly management and financial reports within 10 days after each respective month-end. All analysts' reports on the Company are forwarded to the directors on an on-going basis as and when received. The Articles of Association of the Company provide for directors to convene meetings by teleconferencing or videoconferencing. Where a physical Board meeting is not possible, timely communication with members of the Board has been achieved through electronic means. Whenever necessary, Management also meet and brief directors on the rationale and reason for recommending certain course of action before seeking the Board's approval.

As a general rule, board papers are sent to directors at least five days prior to meetings in order for directors to be adequately prepared for the meeting.

The Board has separate and independent access to the Senior Management and the Company Secretary at all times. Procedures have also been put in place for directors individually or as a group to seek independent professional advice where appropriate, at the Company's expense.

The Audit Committee meets the external and internal auditors separately at least once a year, without the presence of the CEO and other Senior Management members, in order to have free and unfettered access to unfiltered information and feedback. The Board also meets at least once a year without the presence of Management, to enable a free discussion of any sensitive matter regarding the CEO and Management.

The Company Secretary attends all Board meetings and is responsible to ensure that Board procedures are followed. It is the Company Secretary's responsibility to ensure that the Company complies with the requirements of the Companies Act and the SGX Listing requirements. Together with the Management, the Company Secretary is responsible for compliance with all rules and regulations which are applicable to the Company.

(B) Remuneration Matters

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

We believe that a framework of remuneration for the Board and key executives should not be taken in isolation. It should be linked to the development of the strength of the management bench to ensure that there is a continual development of talent and renewal of strong and sound leadership for the continued success of the Group. For this reason, the ERCC oversees the compensation package for Management and key executives as well as directors, and the members of the ERCC and the Nominating Committee are the same as laid out under Principle 4.

The ERCC performs the role of the Remuneration Committee. All the members of the ERCC are independent of Management. From time to time, the ERCC co-opts an outside member into the ERCC to provide a global perspective of talent management and remuneration practices.

The ERCC conducts, on an annual basis, a succession planning review of the CEO and selected key positions in the Company. Potential internal and external candidates for succession are reviewed for immediate, medium term and longer-term needs.

The ERCC reviews the remuneration of the non-executive directors, the CEO who is the only executive director on the Board, and senior executives, as well as sets major human resource management and compensation policies for the rest of the employees in SFI. No director is involved in deciding his own remuneration.

The ERCC is chaired by the Chairman of the Company, who is an independent and non-executive director, and comprises two other independent non-executive directors namely Philip Tan Yuen Fah and Chow Kok Kee. A fourth non-executive director, Margaret Lui-Chan Ann Soo joined the ERCC from 1 December 2005.

The ERCC has access to expert professional advice on human resource matters whenever there is a need to consult externally. In its deliberations, the ERCC takes into consideration industry practices and norms in compensation. The CEO is not present during the discussions relating to his own compensation, terms and conditions of service, and the review of his performance. However, the CEO is in attendance when the ERCC discusses policies and compensation of his senior team and key staff, as well as major compensation and incentive policies such as share options, stock purchase schemes, framework for bonus, staff salary and other incentive schemes.

The ERCC's scope of responsibilities include:

- Establishing compensation policies for key executives and directors
- Approving salary reviews, bonus and performance incentives for key executives
- Approving share-based incentives including stock options for executives and staff
- Approving key appointments and reviewing succession plans for the CEO and other key positions
- Overseeing the development of key management talent

The ERCC met two times in 2005 and meets among its members without the presence of Management, at least once a year.

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Level and Mix of Remuneration

Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the Company successfully but companies should avoid paying more for this purpose. A proportion of the remuneration, especially that of executive directors, should be linked to performance.

The CEO as executive director does not receive director's fees. He is a lead member of Management. His compensation consists of his salary, allowances, bonuses, share options and performance share awards which are conditional upon his meeting certain stretched performance targets. The details of his compensation package are found on page 39 of the Annual Report.

Non-executive Directors have remuneration packages which comprise of a basic director retainer fee, additional fees for appointment to Board Committees, attendance fees and share options pursuant to the Company's Share Option Plan. Directors' fees for non-executive directors are subject to the approval of shareholders at AGMs.

The basis of allocation of the number of share options for Directors takes into account a director's contributions and additional responsibilities at board committees. The report on Directors' Remuneration is found on page 39 of the Annual Report.

Disclosure on Remuneration

Principle 9: Each Company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the Company's annual report.

The Company adopts a remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a base salary which reflects market worth. The variable component comprises both short-term incentive and longer-term incentives. For managers and executives, the short-term variable component is in the form of a variable bonus and is linked to the performance of the Company and the individual in the achievement of Key Performance Indicators or Performance Targets capped at 2.0 or 2.5 months respectively. This is to reward managers and executives for effort in implementing and developing key attributes identified as important for the Company for the longer term e.g. putting in place systems or investing in people development.

The longer-term variable component is in the form of Economic Value Added ("EVA")-based Incentive and Equity-based Incentives. They are to reward staff for sustainable value creation. By its stringent criterion, an EVA bonus is only declared if the Company earns more than its Cost of Capital in the year or at the very least, the Company is moving in that direction. The ERCC will evaluate the extent to which the Key Performance Indicators/Performance Targets have been achieved and the EVA generated for the year and approve the bonus pool for distribution to staff. The actual allocation is based on the performance of the individual using a relative ranking exercise for each executive/management grade across the different divisions in the Company. Only one-third of the EVA bonus of the current year and of the EVA Bonus Bank (earned from past years) of each individual executive / manager is paid out. The other two-thirds are held in the EVA Bonus Bank for payment in subsequent years to ensure sustainable value creation by the Company.

Another element of the longer term variable component is the grant of performance and restricted shares (for Senior Management only) and share options to staff under the Company's Share Option Plan. This element seeks to align the longer term interests of employees with that of shareholders. The allocation of share options to staff is based on job grade, performance and potential and the share options vest equally over a four-year period. Length of service is not a criterion as all confirmed staff are eligible for award of options which vest over the following four years. During the year, 89.3 per cent of Singapore-based employees were granted options. Share options were also granted to employees of overseas subsidiaries, with the number of options allocated to each overseas subsidiary based on the relative contribution of that subsidiary to overall Group results.

Performance shares are granted to a very select number of key employees (including the CEO) of both Singapore and overseas operations. For performance share awards granted in the years 2001 to 2004, awards were based on achieving (i) Relative Total Shareholders' Return (above a bench-mark index) (ii) EVA Spread for Capital Productivity and (iii) Value Added per Employment Costs for Labour Productivity. For the 2005 grant, in line with emphasis on earnings growth, threshold rates for Earnings Per Share Growth was included while the Labour Productivity factor (Value Added per Employment Costs) was dropped. The award is earned over a three-year period based on these criteria. No restricted shares have been awarded to-date.

Rather than setting out the names of the top five key executives who are not also directors of the Company, we have shown a Group-wide cross-section of executive remuneration by number of employees earning \$100,000 upwards (or for overseas employees, \$100,000 and above in local currencies), in bands of \$250,000 with break-down of compensation into fixed and variable components below. This gives a macro view of the remuneration pattern in the Group, while maintaining confidentiality of staff remuneration matters.

There are no employees in the Group who are immediate family members of a director or the CEO.

Compensation bands (S\$)	Number of employees (Note 1)	Total Basic Compensation (Note 2)	Total Variable Compensation (Note 3)	Total Remuneration* (S\$)
100,000 - 249,999	19	1,701,839	902,069	2,603,908
250,000 - 499,999	16	4,033,561	1,508,872	5,542,433
500,000 and above	3	1,418,782	995,171	2,413,953
Total	38	7,154,182	3,406,112	10,560,294

* Notes:

- Including employees in Singapore and overseas subsidiaries.
- Inclusive salaries, AWS, related CPF and other statutory contributions, allowances and fringe-benefits.
- Bonuses, related CPF and other statutory contributions, including performance share awarded and share options granted during the year. The 2005 share options awarded have not yet vest and will vest over four years, 25% each year, starting from the date of the first anniversary from the date of grant.
- The following conversion rates are used to translate the remuneration of overseas employees:
 - £ : 3.0296
 - € : 2.0717
 - A\$: 1.2689

(C) Accountability and Audit

Accountability

Principle 10: The Board is accountable to the shareholders while the Management is accountable to the Board.

Both the Management and the Board recognises the importance of providing the Board with all relevant information on an accurate and timely basis in order that the Board may effectively discharge its duties. On a monthly basis, Board members are provided with business and financial reports comparing actual performance with budget and with prior year comparisons with highlights on key business indicators and any significant business developments. In addition, the Chairman, CEO and other Senior Management staff regularly communicate with Board members through electronic mails and phone calls with appropriate update on Company developments. These reports provide relevant, timely, reliable and up-to-date financial and other information for effective monitoring and decision making.

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Audit Committee

Principle 11: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

Our internal policy requires the Audit Committee ("AC") to have at least three members, all of whom shall be non-executive and independent of both management and principal shareholder.

The AC currently consists of three directors all of whom are independent and of which at least two members have the appropriate accounting or related financial management expertise and experience. The Chairman of the AC, Philip Tan Yuen Fah, has many years of experience in managerial positions in the banking and food industries. The other members are John Lim Kok Min and Patrick Yeoh Khwai Hoh who resigned on 31 October 2005 and is replaced by Jackson Tang Yew Kay. The AC performs the following main functions:

- Reviews the quarterly, half-yearly and annual financial statements and recommends to the Board for approval;
- Recommends to the Board, the appointment and re-appointment of the external auditors and their fees for shareholders' approval, after evaluating their cost effectiveness, independence and objectivity and the nature and extent of non-audit services provided by them;
- Reviews the annual plans of both internal and external auditors including appraising the quality of their work and the assistance provided to them by Management;
- Reviews and approves Interested Person Transactions under the Shareholders Mandate renewable annually; and,
- Reviews the current methods or procedures for determining the transaction prices of interested person transaction to confirm that they have not changed, are on normal commercial terms and are not prejudicial to the interest of the company for purposes of renewal of the Shareholders' mandate.

The AC meets with the External and the Internal Auditors, without the presence of management, at least once a year. During the year, the AC met four times.

The AC constantly bears in mind the need to maintain a balance between the independence and objectivity of the external auditors and the desire to have work that may be best carried out by the External Auditors based on value for money considerations. During the year, non-audit related work carried out by KPMG amounted to an equivalent of \$77,000 and the AC is satisfied that their independence has not been impaired.

Pursuant to the requirements of the SGX, an audit partner may only be in charge of a maximum of five consecutive audits, and may then return after two years. The current KPMG audit partner for the company was appointed with effect from the financial year ended 31 December 2002.

The Audit Committee has recommended to the Board that KPMG be nominated for re-appointment as auditors at the next AGM.

Internal Controls and Internal Audit

Principle 12: The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the Company's assets.

Principle 13: The Company should establish an internal audit function that is independent of the activities it audits.

The Board has ultimate responsibility for ensuring that a sound system of internal controls to safeguard shareholders' investment and the Group's assets are in place. The systems that are in place are intended to provide reasonable but not absolute assurance against material misstatements or loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risks.

The Audit Committee's responsibility in overseeing that the Company's risk management system and internal controls are adequate is complemented by the work of the outsourced Internal Auditor, PricewaterhouseCoopers ("PwC").

The Group's internal audit adopts a risk-based methodology which consists of a formal process for identifying and evaluating significant risks faced by the Group, including evaluating controls put in place to ensure that all activities operate effectively, efficiently and do not expose the Group to unacceptable risks. In reviewing the Group's risks, a risk management methodology called ORCA which stands for Objective, Risk, Control and Alignment is used to help management at each business unit to review its key risks and the adequacy of the counter-measures. The process is reviewed by the Audit Committee on a continual and regular basis.

The Internal Auditor plans its internal audit work in consultation with, but independent of Management, and its yearly plan is submitted to the Audit Committee for approval at the beginning of each year. The Internal Auditor reports to the AC quarterly regarding its findings. The Audit Committee also meets with the internal auditor at least once during the year without the presence of management.

Similarly, the non-executive Chairman and other non-executive directors on the respective boards of the overseas subsidiaries meet with the internal and external auditors without the presence of local management at least once a year to satisfy themselves of the assistance given by Management to internal and external auditors and for the auditors to raise any significant findings.

The Internal Auditor, PwC is a corporate member of the Singapore branch of the Institute of Internal Auditors Inc. ("IIA"), which has its headquarters in the USA. The Internal Auditor is guided by the PricewaterhouseCoopers Global Internal Audit Services Outsourcing Engagement Framework ("Framework"). The standards developed in the Framework are consistent with the Standards for the Professional Practice of Internal Auditing developed by the IIA. The Framework covers requirements in respect of the following:

- Independence
- Professional proficiency
- Scope of Work
- Performance of Audit Work
- Management of the Internal Auditing Department.

The Internal Auditor's primary line of reporting is to the Chairman of the AC.

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The Audit Committee has the express power to conduct or authorise investigations into any matters within its terms of reference. Minutes of the Audit Committee meetings are submitted to the Board for information.

During the year, the Audit Committee, on behalf of the board, has reviewed the effectiveness of the various systems put in place by Management and is satisfied that there are adequate internal controls in the Company.

(D) Communication with Shareholders and Greater Shareholder participation

Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

Principle 15: Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the Company.

SFI's Management and the Board believe in regular and timely communication with shareholders as part of the Group's effort to help our shareholders understand our business better.

Any information considered to be price-sensitive is first publicly released, either before the Company meets with any group of investors or analysts, or simultaneously at such meetings. Our Corporate Communications department together with the CEO and Chief Financial Officer manages investor relations and has a series of events planned each year to brief the media, analysts and any interested shareholder on the Group's performance. The team communicates with investors on a regular basis and attends to any queries promptly. Roadshows are also organised both in Singapore and overseas to keep investors updated.

The Company has adopted quarterly results reporting since its listing in 1999. During the release of its respective quarterly, half-yearly and year-end results, an announcement is first released through SGX-NET onto the SGX website. Thereafter, a briefing by Management is held jointly for the media and analysts. The briefing materials and press releases are also published through SGX-NET. In addition, the Company's SGX-NET announcements, briefing materials to analysts and press releases are all made available on the Company's web-site at www.sfi.com.sg. The Company's annual report is also available on the website.

Through its effort to provide comprehensive and balanced reporting, the Company has been awarded "The Most Transparent Company Award" in the Manufacturing category in 2001, 2002 and 2003 and was a runner-up in 2005. This public recognition by the Securities Investors Association of Singapore bears testimony to the Group's continuous effort to provide relevant and comprehensive information in order to achieve greater transparency and understanding amongst investors about the Group's businesses.