中国软包装控股有限公司
CHINA FLEXIBLE PACKAGING HOLDINGS LIMITED

HALF YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 30 APRIL 2017
截止 2017 年 4 月 30 日的半年财务报表及股息公告

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS
第一部分: 各季度（第一、第二及第三季度）、半年及全年业绩公告所需的资料

1(a) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.
（集团）的收入报表连同上一财政年同期的对比报表。

Group's Consolidated Statement of Comprehensive Income for the three months ("2Q 2017") and six months ("1H 2017") period ended 30 April 2017. These figures have not been audited.
截至 2017 年 4 月 30 日三个月及半年期间之集团收入报表。这些数目字尚未审计。

	Group 集团 2nd quarter 3 months ended			Group 集团 Year-to-date 6 months ended		
	30 April 2017 RMB'000	30 April 2016 RMB'000	+/(-) %	30 April 2017 RMB'000	30 April 2016 RMB'000	+/(-) %
REVENUE 销售收益	**21,818**	31,694	(31.2)	**60,480**	81,099	(25.4)
Cost of sales 销售成本	(27,053)	(63,968)	(57.7)	(71,593)	(144,903)	(50.6)
GROSS LOSS 毛损	**(5,235)**	(32,274)	(83.8)	**(11,113)**	(63,804)	(82.6)
Other operating income 其他收益	490	80	512.5	524	169	210.1
Selling and distribution expenses 销售及分销成本	(30)	(113)	(73.5)	(78)	(269)	(71.0)
Administrative expenses 行政费用	(3,684)	(3,552)	3.7	(7,559)	(6,865)	10.1
Other expenses 其他费用 **(Note 2)**	(2,341)	(13)	N/M	(6,138)	(14)	N/M
Finance costs 财务费用	(716)	(74)	N/M	(1,520)	(74)	N/M
LOSS BEFORE TAXATION 税前亏损 (Note 1)	**(11,516)**	(35,946)	(68.0)	**(25,884)**	(70,857)	(63.5)
Income tax expense 税金	-	-	N/M	-	-	N/M
NET LOSS FOR THE PERIOD 本期净亏损	**(11,516)**	(35,946)	(68.0)	**(25,884)**	(70,857)	(63.5)
Other comprehensive income for the period (after tax and reclassification adjustments): 本期间其他全面收益：						
Exchange differences on translation of financial statements of foreign operations 换算海外业务之汇兑差异	6	(7)	N/M	41	29	41.4
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY 本期间全面亏损	**(11,510)**	(35,953)	(68.0)	**(25,843)**	(70,828)	(63.5)

N/M: Not meaningful 无意义

1(a)(ii) The accompanying notes to the financial statements form an integral part of the financial statements
（集团）的收入报表连同上一财政年同期的对比报表。

Note 1:

Loss before taxation

Loss before taxation is arrived at after charging/(crediting) the followings:
税前亏损乃经扣除 /(计入)下列各项列账：

	Group 集团 2nd quarter 3 months ended			Group 集团 Year-to-date 6 months ended		
	30 April 2017 RMB'000	30 April 2016 RMB'000	+/(-) %	30 April 2017 RMB'000	30 April 2016 RMB'000	+/(-) %
a. Interest income 利息收入	**(16)**	(4)	300.0	**(32)**	(19)	68.4
b. Sales of Scraps 廢料收入	**(10)**	(47)	(78.7)	**(28)**	(118)	(76.3)
c. Net exchange gain 汇兑净收益	**(463)**	(26)	N/M	**(437)**	(32)	N/M
d. Depreciation and amortisation 折旧和摊销	**5,680**	7,105	(20.1)	**11,358**	14,210	(20.1)
e. Fixed production costs during production shutdown period 停产过程中的固定生产成本 **(Note 2(a))**	**2,331**	**-**	N/M	**6,071**	**-**	N/M

N/M: Not meaningful 无意义

Note 2:

Breakdown of the other expenses
其他费用明细

Other expenses in 2Q 2017 and 1H 2017 comprised of:

	Group 集团 2nd quarter 3 months ended			Group 集团 Year-to-date 6 months ended		
	30 April 2017 RMB'000	30 April 2016 RMB'000	+/(-) %	30 April 2017 RMB'000	30 April 2016 RMB'000	+/(-) %
Bank charges 银行费用	**9**	6	50.0	**39**	14	178.6
Exchange loss 汇兑损失	**1**	7	(85.7)	**26**	-	N/M
Fixed production costs during production shutdown period 停产过程中的固定生产成本 **(Note 2(a))**	**2,331**	-	N/M	**6,071**	-	N/M
Other expenses 其他费用	**2,341**	13	N/M	**6,138**	14	N/M

N/M: Not meaningful 无意义

(a) It relates to the fixed depreciation charges, staff costs and overhead costs which amounted to RMB1.3 million, RMB0.6 million and RMB0.4 million respectively associated with the production function during the production shutdown period of the production line no.3 in 2Q 2017. These fixed production costs were recognised as other expenses instead of being absorbed into cost of sales for that corresponding reporting period in accordance with accounting matching principle.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.
（上市公司及集团）的资产负债表连同截至上一财政年的对比报表。

	Group 集团		Company 公司	
	As at		As at	
	30 April 2017 RMB'000	31 October 2016 RMB'000	30 April 2017 RMB'000	31 October 2016 RMB'000
NON-CURRENT ASSETS 非流动资产				
Property, plant and equipment 固定资产	**120,490**	131,177	**-**	-
Land use rights 土地使用权	**49,348**	50,019	**-**	-
Investment in subsidiaries 投资于子公司	**-**	-	**181,346**	153,404
	169,838	181,196	**181,346**	153,404
CURRENT ASSETS 流动资产				
Inventories 库存	**8,573**	10,684	**-**	-
Accounts receivable 应收帐款	**7,313**	9,465	**-**	-
Other receivables 其他应收款	**94**	209	**-**	-
Cash and cash equivalents 现金及银行结存	**14,841**	14,675	**519**	845
	30,821	35,033	**519**	845
CURRENT LIABLILITIES 流动负债				
Accounts payable 应付帐款	**696**	505	**-**	-
Accruals and other payables 其他应付款及已收定金	**5,217**	5,209	**238**	162
Amount due to a director 应付于董事款	**31,027**	30,352	**-**	-
Bank loan 银行借款	**20,000**	40,000	**-**	-
	56,940	76,066	**238**	162
NET CURRENT (LIABILITIES)/ASSETS 净流动(负债)/资产	**(26,119)**	(41,033)	**281**	683
NET ASSETS 净资产	**143,719**	140,163	**181,627**	154,087
EQUITY 权益				
Equity attributable to owners of the Company 权益归于公司拥有人				
Share capital 已发行股本 **(Note 2)**	**994**	399	**994**	399
Reserves 储备金 **(Note 2)**	**142,725**	139,764	**180,633**	153,688
TOTAL EQUITY 权益总额	**143,719**	140,163	**181,627**	154,087

1(b)(ii) Aggregate amount of group's borrowings and debt securities.
集团借贷及抵押债务的总额

Amount repayable in one year or less, or on demand
一年或以内应该偿还或见索即付的款额

	As at 30 April 2017 **截至 2017 年 4 月 30 日**		As at 31 October 2016 截至 2016 年 10 月 31 日	
	Secured **有抵押**	**Unsecured** **无抵押**	Secured 有抵押	Unsecured 无抵押
	RMB'000	**RMB'000**	RMB'000	RMB'000
Bank Loan	**20,000**	**-**	40,000	-
Amount due to a director (Note 1)	**-**	**31,027**	-	30,352

Note 1: Please refer to paragraph 13 for more details

Amount repayable after one year
一年后应偿还的款额

None 无

Details of any collateral
抵押品（若有）的详情

1. The short-term bank loan is secured by:

(i) Personal guarantee by an Executive Director
(ii) Certain non-current assets of a PRC subsidiary of the Group

2. The amount due to a director is unsecured.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.
（集团）的现金流量表连同上一财政年同期的对比报表。

	Group 集团			
	3 months ended 30 April 2017 RMB'000	3 months ended 30 April 2016 RMB'000	6 months ended 30 April 2017 RMB'000	6 months ended 30 April 2016 RMB'000
Cash flows from operating activities 营业活动所得现金流量				
Loss before taxation 税前亏损	**(11,516)**	(35,946)	**(25,884)**	(70,857)
Adjustments for: 调整下列各项:				
Depreciation of property, plant and equipment 固定资产折旧	**5,344**	6,749	**10,687**	13,499
Amortisation of land use rights 土地使用权摊销	**336**	356	**671**	711
Finance costs 财务费用	**716**	-	**1,520**	-
Interest income 利息收入	**(16)**	(4)	**(32)**	(19)
Operating loss before working capital changes 营运资金变更前营运亏损	**(5,136)**	(28,845)	**(13,038)**	(56,666)
Changes in 营运资金变动:				
Inventories 库存	**6,547**	4,663	**2,111**	9,958
Accounts receivable 应收帐款	**3,078**	(1,688)	**2,152**	905
Prepayments, deposits and other receivables 预付款, 预付订金及其他应收款	**323**	1,439	**115**	1,722
Accounts payable 应付帐款	**30**	3,783	**191**	9,908
Accruals and other payables 应计债务及其他应付款	**(4,967)**	(2,419)	**8**	(3,331)
Cash used in operating activities 营业活动所用现金	**(125)**	(23,067)	**(8,461)**	(37,504)
Tax refund/(paid) 退回/(已付)税金	**-**	-	**-**	-
Interest received 已收利息	**16**	4	**32**	19
Net cash flows used in operating activities 营业活动所用净现金流量	**(109)**	(23,063)	**(8,429)**	(37,485)
Net cash flows from financing activities 融资活动所得现金流量				
Advance from a Director 应付于董事款增加	**337**	-	**675**	-
Proceeds from Rights cum Warrants Issue 供股所得资金	**-**	-	**29,399**	-
Repayment of bank borrowing 偿还银行借款	**(20,000)**	-	**(20,000)**	-
Interest paid 已付利息	**(716)**	-	**(1,520)**	-
Proceeds from bank borrowing 银行借款所得	**-**	20,000	**-**	20,000
Cash (used in)/generated from financing activities 融资活动所得现金	**(20,379)**	20,000	**8,554**	20,000
Net (decrease)/increase in cash and cash equivalents 现金及现金等值净(减少)/增加	**(20,488)**	(3,063)	**125**	(17,485)
Cash and cash equivalents at beginning of period 期初现金及现金等值	**35,323**	4,343	**14,675**	18,729
Effect of foreign exchange rate changes 汇率变动的影响	**6**	(7)	**41**	29
Cash and cash equivalents at end of period 期末现金及现金等值	**14,841**	1,273	**14,841**	1,273

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.
显示（上市公司及集团）（i）股权的所有变更的报表或（ii）资本化发行及股东分配产生的股权变更除外的股权变更的报表，连同上一财政年同期的对比报表

Statement of Changes in Equity - Group level

	Issued share capital 股本	Share premium account 股份溢价	Contributed surplus 实缴盈余	Warrants Reserve 认股证储备	Share redemption reserve 赎回储备	Capital reserve 资本储备	Foreign currency translation reserve 汇兑储备	Statutory reserve 法定储备	Other reserve 其他储备	Accumulated losses 损益账户	Total equity 总计
The Group 集团	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Balance as at 1 November 2016 于 2016 年 11 月 1 日结存	399	-	138,364	-	62	-	3,539	86,527	36,630	(125,358)	**140,163**
Rights Issue 供股 **(Note 3)**	595	25,550	-	-	-	-	-	-	-	-	**26,145**
Free detachable Warrants Issue 免费可分离认股证 **(Note 3)**	-	-	-	3,254	-	-	-	-	-	-	**3,254**
Total comprehensive loss for the period 期间綜合亏损:											
- Loss for the period 期间亏损	-	-	-	-	-	-	-	-	-	(25,884)	**(25,884)**
Other comprehensive income for the period: 期间其他綜合收益:											
- Exchange differences on translation of financial statements of foreign operation 换算海外业务之汇差	-	-	-	-	-	-	41	-	-	-	**41**
Total comprehensive loss for the period 期间綜合亏损:	-	-	-	-	-	-	41	-	-	(25,884)	(25,843)
Balance as at 30 April 2017 于 2017 年 4 月 30 日结存	**994**	**25,550**	**138,364**	**3,254**	**62**	**-**	**3,580**	**86,527**	**36,630**	**(151,242)**	**143,719**

	Issued share capital 股本	Share premium account 股份溢价	Contributed surplus 实缴盈余	Warrants Reserve 认股证储备	Share redemption reserve 赎回储备	Capital reserve 资本储备	Foreign currency translation reserve 汇兑储备	Statutory reserve 法定储备	Other reserve 其他储备	Accumulated losses 损益账户	Total equity 总计
The Group 集团	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Balance as at 1 November 2015 于 2015 年 11 月 1 日结存	598,197	304,361	-	-	62	-	3,482	86,527	36,630	(763,795)	265,464
Cancellation of shares arising from Capital Reduction 从减资而产生的股份取消	(597,798)	-	597,798	-	-	-	-	-	-	-	**-**
Share Premium Reduction and crediting of contributed surplus 削减股份溢价及计入实缴盈余	-	(304,361)	304,361	-	-	-	-	-	-	-	**-**
Offset of credit arising from Capital Reorganisation against accumulated losses 以实缴盈余抵消累计亏损	-	-	(763,795)	-	-	-	-	-	-	763,795	**-**
Total comprehensive loss for the period 期间綜合亏损:											
- Profit for the period 期间利润	-	-	-	-	-	-	-	-	-	(70,857)	**(70,857)**
Other comprehensive income for the period: 期间其他綜合收益:											
- Exchange differences on translation of financial statements of foreign operation 换算海外业务之汇差	-	-	-	-	-	-	29	-	-	-	**29**
Total comprehensive income for the period 期间綜合收益:	-	-	-	-	-	-	29	-	-	(70,857)	**(70,828)**
Balance as at 30 April 2016 于 2016 年 4 月 30 日结存	**399**	**-**	**138,364**	-	**62**	**-**	**3,511**	**86,527**	**36,630**	**(70,857)**	**194,636**

Statement of Changes in Equity - Company level

The Company 公司	Issued share capital 股本 RMB'000	Share premium account 股份溢价 RMB'000	Contributed surplus 实缴盈余 RMB'000	Warrants Reserve 认股证储备 RMB'000	Share redemption reserve 赎回储备 RMB'000	Capital reserve 资本储备 RMB'000	Foreign currency translation reserve 汇兑储备 RMB'000	Statutory reserve 法定储备 RMB'000	Other reserve 其他储备 RMB'000	Accumulated losses 损益账户 RMB'000	Total equity 总计 RMB'000
Balance as at 1 November 2016 于 2016 年 11 月 1 日结存	399	-	128,166	-	62	99,175	-	-	36,630	(110,345)	**154,087**
Rights Issue 供股 **(Note 3)**	595	25,550	-	-	-	-	-	-	-	-	**26,145**
Free detachable Warrants Issue 免费可分离认股证 **(Note 3)**	-	-	-	3,254	-	-	-	-	-	-	**3,254**
Loss and total comprehensive loss for the period 亏损及期间综合亏损	-	-	-	-	-	-	-	-	-	(1,859)	**(1,859)**
Balance as at 30 April 2017 于 2017 年 4 月 30 日结存	**994**	**25,550**	**128,166**	**3,254**	**62**	**99,175**	**-**	**-**	**36,630**	**(112,204)**	**181,627**

The Company 公司	Issued share capital 股本 RMB'000	Share premium account 股份溢价 RMB'000	Contributed surplus 实缴盈余 RMB'000	Warrants Reserve 认股证储备 RMB'000	Share redemption reserve 赎回储备 RMB'000	Capital reserve 资本储备 RMB'000	Foreign currency translation reserve 汇兑储备 RMB'000	Statutory reserve 法定储备 RMB'000	Other reserve 其他储备 RMB'000	Accumulated losses 损益账户 RMB'000	Total equity 总计 RMB'000
Balance as at 1 November 2015 于 2015 年 11 月 1 日结存	598,197	304,361	-	-	62	99,175	-	-	36,630	(773,993)	**264,432**
Cancellation of shares arising from Capital Reduction 从减资而产生的股份取消	(597,798)	-	597,798	-	-	-	-	-	-	-	**-**
Share Premium Reduction and crediting of contributed surplus 削减股份溢价及计入实缴盈余	-	(304,361)	304,361	-	-	-	-	-	-	-	**-**
Offset of credit arising from Capital Reorganisation against accumulated losses 以实缴盈余抵消累计亏损	-	-	(773,993)	-	-	-	-	-	-	773,993	**-**
Loss and total comprehensive loss for the period 亏损及期间综合亏损	-	-	-	-	-	-	-	-	-	(1,216)	**(1,216)**
Balance as at 30 April 2016 于 2016 年 4 月 30 日结存	**399**	**-**	**128,166**	**-**	**62**	**99,175**	**-**	**-**	**36,630**	**(1,216)**	**263,216**

Note 3:

Changes in Group's and Company's equity arising from Renounceable Non-underwritten Rights cum Warrants Issue
因可转让非包销权证及认股权证发行而导致本公司的股本变动

The Company completed a renounceable non-underwritten rights cum warrants issue (the "Rights cum Warrants Issue") (as detailed in the offer information statement dated 14 November 2016 issued by the Company to its shareholders and the latest announcement in relation to the Rights cum Warrants Issue released by the Company on 7 December 2016) and has issued 8,653,823 rights shares and 4,326,898 free-detachable warrants on 7 December 2016. The Company has raised gross proceeds of approximately SGD6,058,000 (equivalent to approximately RMB29,399,000) from the Rights cum Warrants Issue. Its effects on the Group's and the Company's equity involved the following:

(a) Issued share capital

The issued share capital of the Group and the Company were increased from US$48,609.56 (equivalent to approximately RMB399,000*) (divided into 4,860,956 shares with a par value of US$0.01 each), to US$135,147.79 (equivalent to approximately RMB994,000*) (divided into 13,514,779 shares with a par value of US$0.01 each). It was attributed to the issue of 8,653,823 rights shares with a par value of US$0.01 each, amounting to US$86,538.23 (equivalent to approximately RMB595,000*) in 1H 2017.

(b) Warrants reserve

The sum of approximately RMB3,254,000 credited to the warrants reserve of the Group and the Company in 1H 2017 represented the fair value of the 4,326,898 warrants upon their issuance. The warrants were classified as equity instruments under the International Accounting Standards ("IAS") No.32 and they were measured using relative fair value approach under IAS No.39. The fair value was assessed by Peak Vision Appraisals Limited ("Peak Vision"), an independent valuer, which is a Registered Professional Surveyor and Registered Business Valuer.

(c) Share premium account

The sum of approximately RMB25,550,000 credited to the share premium account of the Group and the Company in 1H 2017 represented the difference between the par value of the rights shares (US$0.01 each) and the fair value of the rights shares issued in total. The fair value of the rights shares was measured using relative fair value approach under IAS No.39.

* Based on a historical foreign currency exchange rate at the date the shares were issued.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.
自上一个财政期，公司股本因附加股、红股、股份购回、行使认股选择权或认股权证、其他权益发行兑换、发行股票以取得现金或收购对价或为任何其他目的而发行股票而产生的任何变更的详情。亦须注明截至本财政期末及截至上一财政年同期可能就兑换所有结存的可换证券而发行的股票数目。

There was no change in the Company's issued share capital. There was also no warrant exercised up to the date of this announcement.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The company does not have any treasury shares. Total number of issued shares as at 30 April 2017 was 13,514,779 (31 October 2016: 4,860,956)

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. 不适用。

1(d)(v) A statement showing all sales, transfers, disposals, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. 不适用。

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.
有关数目字是否经审计或审阅，且按何种审计标准或惯例审计或审阅。

The figures have not been audited or reviewed by the Company's auditors.
公司的审计师尚未审计或审阅有关数字。

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).
若有关数目字经审计或审阅，须附上审计师报告（包括对任何特定事项的澄清或强调）。

Not applicable. 不适用。

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.
是否应用上市公司最新经审计的年度财务报表的相同会计政策及计算方法。

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ended 31 October 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.
若会计政策及计算方法出现任何变更，包括会计标准所规定的任何变更，须列出有关的变更、变更的原因及变更所产生的影响。

The Group has adopted the applicable new and revised International Financial Reporting Standards ("IFRSs") which became effective for the financial period beginning on or after 1 November 2016. For the current reporting period ended 30 April 2017, the adoption of these new and revised IFRSs did not give rise to significant impact on the Group's' financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.
集团在本财政期间及上一财政年同期每股普通股的收益（扣除优先股息的准备金）。

On 7 December 2016, the Company completed the Rights cum Warrants Issue and had issued 8,653,823 rights shares and 4,326,898 warrants. In accordance with the International Accounting Standards no.33 Earnings Per Share ("IAS 33"), for the purpose of calculating basic earnings per share, the number of ordinary shares outstanding before the event is adjusted for the adjustment factor in the Rights cum Warrants Issue in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented. Therefore the basic loss per share for 2Q 2016 and 1H 2016 are restated as below to account for the effect of the Rights cum Warrants Issue.

	2nd quarter 3 months ended		**2nd quarter 6 months ended**	
	30 April 2017	**30 April 2016 (Restated)**	**30 April 2017**	**30 April 2016 (Restated)**
Loss per ordinary share for the period based on net loss attributable to owners of the Company:- 集团的每股普通股的亏损按照可归于股东的净亏损				
(i) Based on the weighted average number of ordinary shares on issue (RMB); and 根据已发行普通股本的加权平均数 (人民币); 及	**(0.85)**	(6.99)	**(2.13)**	(13.78)
(ii) On a fully diluted basis (RMB) 根据完全摊薄机准 (人民币)	**N/A**	N/A	**N/A**	N/A
Weighted average number of shares after the Rights cum Warrants Issue under IAS 33 加权平均股份數目	**13,514,779**	5,140,640	**12,126,800**	5,140,640

Basic loss per share for 2Q 2017 is calculated based on the total comprehensive loss for the period attributable to owners of the Company of about RMB11,510,000 (2Q 2016: RMB35,953,000) divided by 13,514,779 (2Q 2016: 5,140,640) weighted average number of shares after the Rights cum Warrants Issue under IAS 33 during the period. No diluted loss per share has been presented as the warrants are anti-dilutive.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

（上市公司及集团）的每股普通股净资产值，按上市公司在下列财政期末已发行股本计算：-
(a) 本财政期；及
(b) 上一财政年。

For illustrative purpose, an adjusted net asset value per share as at the last financial year ended are presented as below to account for the effect of the Rights cum Warrants Issue. In this presentation, the number of ordinary shares is increased by the number of rights shares and warrants as if the issuance took place at the comparative year end.

	Group 集团		Company 公司	
	As at		As at	
	30 April 2017	31 October 2016 (Adjusted)	30 April 2017	31 October 2016 (Adjusted)
Net assets value per ordinary share after the Rights cum Warrants Issue (RMB) 供股后每股普通股的净资产值(人民币)	**10.63**	10.37	**13.44**	11.40
Net assets value per ordinary share after all the Warrants are exercised (RMB) 行使认股权后每股普通股的净资产值(人民币)	**9.28**	9.08	**11.40**	9.86

The net assets value per ordinary share of the Group and the Company were calculated based on the equity attributable to the owners of the Company of approximately RMB143,719,000 (year ended 31 October 2016: RMB140,163,000) and RMB181,627,000 (year ended 31 October 2016: RMB154,087,000) respectively as at 30 April 2017; and 13,514,779 ordinary shares of the Company in issue as well as 17,841,677 ordinary shares assuming all the warrants were exercised as at 30 April 2017 and the last financial year end.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.
回顾集团业绩以取得对集团的业务合理的理解。有关回顾须包括下列各项的讨论：-
(a) 本财政期间影响集团的营业额、成本及收益的任何显著因素，包括季节性或周期性因素（若适用）；及
(b) 本财政期间影响集团的现金流量、营运资金、资产或债务的任何重大因素。

Review Group performance

The Group's Consolidated Statement of Profit or Loss and Other Comprehensive Income

The Group's revenue

The Group's revenue decreased by 31.2% or RMB9.9 million from RMB31.7 million in 2Q 2016 to RMB21.8 million in 2Q 2017.

The decrease was primarily attributed to (i) the drop in sales volume of the Group's major product, low shrinkage films; (ii) the closure of production line no.3 resulting in the production stoppage of certain product types, and (iii) lower overall market demand from the weakening domestic consumer market and keener market competition.

The Group's gross profit and operating loss before Tax

The cost of sales decreased from RMB64.0 million in 2Q 2016 to RMB27.1 million in 2Q 2017, representing a decrease of 57.7% or RMB36.9 million. It was due to the (i) decrease in production volume affected mainly by the shutdown of production line no.3; (ii) lower raw material consumption contributed by lower production rejection rate, and; (iii) lower direct material cost as well as production overheads including depreciation and amortisation charges, utilities expenses, direct labour costs, fuel and other production costs in 2Q 2017.

The Group recorded a gross loss of RMB5.2 million in 2Q 2017 compared with RMB32.3 million in 2Q 2016. The gross loss was mainly attributable to (i) the unfavourable product mix where only low margin products accounted for our total sales; (ii) presence of sub-standard products issue mainly in low margin segment which further affected the margins, and; (iii) higher fixed overheads absorption due to the drop in production volume. However, the gross loss decreased by 83.8% or RMB27.1 million. It was attributed to the shutdown of the less efficient production line no.3 and an improvement in overall sub-standard production rate.

Under the current adverse market conditions even as the Group suffers a gross loss with the sale of its products, management believes that the Group needs to maintain its manufacturing operation to meet market demand and to maintain customer relationships.

Other revenue of RMB0.5 million in 2Q 2017 (2Q 2016: RMB0.08 million) mainly comprised of bank interest income, sales of scrap materials and exchange gain.

Selling and distribution costs decreased by 73.5% over the last corresponding period to RMB0.03 million in 2Q 2017 (2Q 2016: RMB0.11 million), mainly due to the decrease in travelling and other business related expenses.

Administrative expenses recorded an increase of 3.7% over the last corresponding period to RMB3.7 million (2Q 2016: RMB3.6 million) due mainly to the increase in listing fee as well as legal and professional fee.

Other expenses recorded a significant increase to RMB2.3 million in 2Q 2017. It was largely attributed to fixed production costs during production shutdown period of RMB2.3 million. Please refer to paragraph 1(a)(ii) Note 2(a) on page 2 for further details.

The Group's net loss from ordinary activities attributable to owners of the Company

The Group recorded a net loss of RMB11.5 million in 2Q 2017, with a decrease of 68.0% compared with the net loss of RMB36.0 million in 2Q 2016.

Review on consolidated statement of financial position and statement of cash flows

The Group's Consolidated Statement of Financial Position

Non-current assets comprised of land use rights, property, plant and equipment. It decreased by 6.3% or RMB11.4 million from RMB181.2 million as at 31 October 2016 to RMB169.8 million as at 30 April 2017 due to amortisation and depreciation charges.

Current assets of the Group decreased by 12.0% or RMB4.2 million from RMB35.0 million as at 31 October 2016 to RMB30.8 million as at 30 April 2017. It was mainly due to the decrease in accounts receivable from RMB9.5 million as at 31 October 2016 to RMB7.3 million as at 30 April 2017, which was in line with the drop in the sales in 2Q 2017 compared with the 4th quarter period ended 31 October 2016. Besides, the Group's inventories also reduced by RMB2.1 million to RMB8.6 million as at 30 April 2017, which was mainly due to lower purchases in April 2017 in response to the downward sales trend.

Current liabilities of the Group decreased by 25.1% or RMB19.2 million to RMB56.9 million as at 30 April 2017, largely attributable to the decrease in short-term bank loan from RMB40.0 million as at 31 October 2016 to RMB20.0 million as at 30 April 2017. It was because the Group utilised part of the proceeds from the Rights cum Warrants Issue and its internal resource to partially repay the bank loan in 2Q 2017. In addition, the increase in an advance from a director from

RMB30.4 million to RMB31.0 million as at 30 April 2017 was due to the accruing interest expense of RMB0.6 million in 2Q 2017 (please refer to paragraph 13 for more details of interest person transaction).

The Group's Consolidated Statement of Cash Flows

In 2Q 2017, the net cash outflow in operating activities of the Group amounted to RMB0.1 million as compared with RMB23.1 million in the last corresponding period of 2016. The net cash outflow was mainly attributable to the operating loss before working capital changes of RMB5.1 million, which was partially offset by a positive net capital change of RMB5.0 million. The positive net capital change was mainly attributable to the decrease in inventories and accounts receivable, whereas partially offset by the decrease in accruals and other payables during the 2Q 2017.

The Group recorded a net cash outflow in financing activities amounting to RMB20.4 million in 2Q 2017 as compared with a net cash inflow of RMB20.0 million in the last corresponding period of 2016. It ascribed mainly to the repayment of bank loan by RMB20.0 million in 2Q 2017.

The cash and cash equivalent balance has increased from RMB35.3 million as at 31 January 2017 to RMB14.8 million as at 30 April 2017.

Liquidity and going concern's assumption

The financial statements have been prepared on the going concern basis assuming that the Group will continue to operate as a going concern notwithstanding that:

(i) the net current liabilities of RMB26.1 million of the Group as at 30 April 2017;
(ii) the net loss amounting to RMB11.5 million in 2Q 2017;
(iii) the Group recorded a negative cash flow in operating activities of RMB0.1 million in 2Q 2017.

These events and conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, the Group prepared the financial statements based on the assumption that the Group can be operated as a going concern and is of the view that the Group will have sufficient working capital to finance its operations in the next twelve months from the period end date, after taking into consideration of the following:

(i) Following the issuance of 4,326,898 Warrants, the Group can potentially raise an additional S$4.5 million or RMB22.1 million in the event that all the Warrants are exercised;
(ii) the Chairman of the Board, Mr Zeng Hanming has undertaken not to demand immediate repayment of the advance of RMB30.0 million from him for the next 6 months to the current financial year end date until such time when the Group has sufficient financial resources to do so. The Group also believes that external debt financing options are available;
(iii) the Group had closed down the less effective production line no.3 resulting in reduction on operating loss as seen in 2Q 2017; and
(iv) the Group continues to implement measures to improve its liquidity condition, including but not limited to, shortening receivable collection period, lowering inventory level and tightening cost controls over various selling and administrative expenses.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.
就先前向股东披露的预测或前景声明而言，前述与实际业绩的任何出入。

As disclosed in the 1st quarter Financial Results Announcement dated 14 March 2017, the Group's performance for the current financial period ended 30 April 2017 was expected to report a loss and the Group's actual performance for the 2Q 2017 was in line with the statement (Paragraph 10) of the Company's announcement dated 14 March 2017.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.
截至公告日期，集团所处行业的显著趋势及竞争情况以及可能影响集团在下个报告期及未来 12 个月的任何已知因素或事项的有关评论。

The Group's performance continues to be affected by: (i) increasing price pressures due to continuing intense market competition in China's manufacturing sector; and (ii) weakening local demand and difficulty in sourcing sales orders in high margin product segment. These challenges are also industry-wide issues in China.

The Group will focus its current resource on the remaining production line no.4 in Ruixing which was set up in 2009. The management remains committed to lowering production cost and substandard product rate.

Update on use of rights issue proceeds

Up to the date of this announcement, the net proceeds have been utilised in the following manner:

No.	Descriptions	in S$ million	In RMB million
	Proceeds from Rights cum Warrants Issue	6.1	29.4
1.	General working capital - purchase of raw material (Polypropylene) for the production of BOPP films	1.2	5.8
2.	Repayment of short-term bank loan	3.6	17.3
3.	To fund general corporate activities including, but not limited to, new business developments, acquisitions, joint ventures and/or strategic alliances	-	-
	Balance of net proceeds	**1.3**	**6.3**

The balance of net proceeds was deposited into bank accounts of the subsidiaries of the Group. The funds will be used in accordance with the Offer Information Statement dated 14 November 2016.

11. Dividend
股息

(a) Current Financial Period Reported On
本财政期

Any dividend declared for the current financial period reported on?
本财政期是否宣布派发任何股息？

None 无

(b) Corresponding Period of the Immediately Preceding Financial Year
上一财政年同期

Any dividend declared for the corresponding period of the immediately preceding financial year?
上一财政年同期是否宣布派发任何股息？

None 无

(c) Date payable
支付日期

Not applicable 不适用

(d) Books closure date
截止过户日期

Not applicable 不适用

12. If no dividend has been declared/recommended, a statement to that effect.
若不宣布 / 建议派发股息，须作出有关声明。

Not Applicable. 不适用

13. Interested person transactions
关连人仕交易

The Company does not have any general mandate from shareholders for interested person transactions.

In 2Q 2017, the value (interest expense) of the existing Interested Person Transaction, an unsecured advance of approximately RMB30.0 million provided by the Chairman of the Board, Mr Zeng Hanming to Jieyang City Rui Xing Plastic Packaging Company Limited, a 100% wholly-owned subsidiary of the Company, was approximately RMB337,500.

14. Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual of the SGX-ST.
根据新加坡证券交易所有限公司上市参考手册第 705 条附例(5)要求董事确认事项

The Board of Directors of the Company hereby confirms that, to the best of its knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited second quarter financial results of the Group as at 30 April 2017 to be false or misleading.

董事局在此确认我们已根据其所知情的所有资料, 没有任何事情导致上市公司董事局需要特别的留意那些会引起第二季度财务报告截止 2017 年 4 月 30 日出现虚假或误导.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual.
根据新加坡证券交易所有限公司上市参考手册第 720 条附例(1) 要求所有董事及高级管理人员确认附例承诺事项。

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720 (1) of the SGX Listing Manual.

BY ORDER OF THE BOARD
奉董事会之命

Zeng Hanming
Chairman of the Board
13 June 2017