Southern Packaging Group Limited

Unaudited Half Year Financial Statements for the Period Ended 30 June 2026

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2), HALF-YEAR AND FULL YEAR RESULTS

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group	Group	Change
		Jan-June 2026	Jan-June 2025	
		RMB'000	RMB'000	
Revenue	4	334,071	285,080	17.19%
Cost of sales		(267,938)	(242,604)	10.44%
Gross profit		66,133	42,476	55.70%
Gross profit margin		19.80%	14.90%	
Other operating income		8,880	4,945	79.54%
Distribution expenses		(22,503)	(21,366)	5.32%
Administrative expenses		(40,079)	(39,154)	2.36%
Finance costs		(8,680)	(9,434)	(7.99%)
Income/(Loss) before income tax	6	3,751	(22,533)	NM
Income tax expense	7	-	(188)	(99.84%)
Income/(Loss) for the period		3,751	(22,721)	NM
Other comprehensive income: *Items to be reclassified to profit or loss in subsequent periods* Exchange differences on translation of foreign operations		(324)	(136)	137.19%
Total comprehensive income/(expense) for the period, representing income/(expense) for the period attributable to owners of the parent.		3,427	(22,857)	NM
Earnings/ (Loss) per share				
- Basic and diluted (RMB)		0.05	(0.33)	NM

B. Condensed interim statements of financial position

		Group	Group	Company	Company
		30.06.2026	31.12.2025	30.06.2026	31.12.2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Current assets:					
Cash and cash equivalents		42,007	59,382	1,425	1,339
Trade receivables	12	163,870	161,155	-	-
Other receivables and prepayments		49,243	44,405	16	17
Inventories	13	367,280	354,321	-	-
Total current assets		622,400	619,263	1,441	1,356
Non-current assets:					
Investment in subsidiaries		-	-	465,933	465,933
Property, plant and equipment	10	345,491	349,181	-	-
Investment property	11	86,099	87,183	-	-
Land use rights		33,783	34,321	-	-
Right of use assets		3,393	3,467	-	-
Deferred tax assets	14	9,843	9,843	-	-
Total non-current assets		478,609	483,995	465,933	465,933
Total assets		1,101,009	1,103,258	467,374	467,289

B. Condensed interim statements of financial position(Cont'd)

		Group	Group	Company	Company
		30.06.2026	31.12.2025	30.06.2026	31.12.2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Current liabilities:					
Trade payables		148,234	145,111	-	-
Other payables		31,187	31,379	40,072	48,174
Borrowings	16	328,949	325,000	-	-
Current income tax payable		3,038	3,053	-	-
Deferred government subsidies		1,139	1,139	-	-
Lease liabilities	15	2,126	2,150	-	-
Total current liabilities		514,673	507,832	40,072	48,174
Non-current liabilities:					
Deferred government subsidies		6,018	6,018	-	-
Borrowings	16	76,062	88,530	-	-
Deferred tax liabilities	14	1,000	1,000	-	-
Lease liabilities		1,267	1,317	-	-
Total non-current liabilities		84,347	96,865	-	-
Total liabilities		599,020	604,697	40,072	48,174
Equity attributable to equity holders of the Company:					
Share capital	17	230,593	230,593	230,593	230,593
Capital contribution		12,639	12,639	-	-
Statutory reserve		64,689	64,689	-	-
Foreign currency translation account		(1,379)	(1,055)	-	-
Retained earnings		195,447	191,695	196,709	188,522
Total equity		501,989	498,561	427,302	419,115
Total liabilities and equity		1,101,009	1,103,258	467,374	467,289

C. Condensed interim statements of changes in equity

	Share capital	Statutory reserve	Capital contribution	Retained earnings	Foreign currency translation account	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group						
Balance as at 1.1.2025	230,593	64,124	12,639	197,910	(844)	504,422
Loss for the financial period	-	-	-	(22,721)	-	(22,721)
Other comprehensive income for the financial period						
- Exchange differences on translation of foreign operations	-	-	-	-	(136)	(136)
Total comprehensive expense for the financial period	-	-	-	(22,721)	(136)	(22,857)
Balance as at 30.06.2025	230,593	64,124	12,639	175,189	(980)	481,565
Balance as at 1.1.2026	230,593	64,689	12,639	191,696	(1,055)	498,562
Profit for the financial period	-	-	-	3,751	-	3,751
Other comprehensive income for the financial period						
- Exchange differences on translation of foreign operations	-	-	-	-	(324)	(324)
Total comprehensive income for the financial period	-	-	-	3,751	(324)	3,427
Balance as at 30.06.2026	230,593	64,689	12,639	195,447	(1,379)	501,989

C. Condensed interim statements of changes in equity(cont'd)

	Issued Capital	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000
Company			
Balance as at 1.1.2025	230,593	197,151	427,744
Loss for the financial period, presenting total comprehensive expense for the financial period	-	(5,152)	(5,152)
Balance as at 30.6.2025	230,593	191,999	422,592
Balance as at 1.1.2026	230,593	188,522	419,115
Profit for the financial period, presenting total comprehensive income for the financial period	-	8,187	8,187
Balance as at 30.6.2026	230,593	196,709	427,302

D. Condensed interim consolidated statement of cash flows

	Group Jan-Jun 2026 RMB'000	Group Jan-Jun 2025 RMB'000
Cash flows from operating activities		
Profit/(Loss) before income tax	**3,751**	**(22,533)**
Adjustments for:		
Depreciation of property, plant and equipment	14,185	23,193
Depreciation of investment property	1,082	1,082
Amortisation of prepaid lease payments	539	539
Interest income	(24)	(120)
Interest expense	8,680	9,434
Unrealised foreign currency exchange gain	(120)	(12)
Loss on PPE written off	-	54
Operating profit before working capital changes	**28,093**	**11,637**
Trade receivables	(4,378)	9,424
Other receivables and prepayments	(7,021)	(4,463)
Inventories	(12,959)	8,510
Trade payables	6,586	(21,194)
Other payables	(56)	2,654
Cash generated from operations	**10,265**	**6,568**
Income tax paid	(15)	(1)
Net cash generated from operating activities	**10,250**	**6,567**
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,495)	(8,619)
Interest received	24	120
Net cash used in investing activities	**(10,471)**	**(8,499)**

D. Condensed interim consolidated statement of cash flows(Cont'd)

	Group Jan-Jun 2026 RMB'000	Group Jan-Jun 2025 RMB'000
<u>Cash flows from financing activities</u>		
Interest paid	(8,680)	(9,434)
Proceeds from bank borrowings	128,941	223,388
Repayments of bank borrowings	(137,051)	(210,865)
Lease payment	34	13
Increase in pledged fixed deposits	-	3,178
Net cash (used in) /generated from financing activities	**(16,756)**	**6,280**
(Decrease) /Increase in cash and cash equivalents	(16,977)	4,348
Cash and cash equivalents at the beginning of the financial period	59,382	62,422
Effect of foreign exchange rate changes on cash and cash equivalents in foreign currencies	(398)	(286)
Cash and cash equivalents at the end of the financial period (Note A)	42,007	66,484

Note A: Cash and Cash Equivalents	30.06.2026 RMB'000	30.06.2025 RMB'000
Cash and bank balances	42,007	74,047
Less: Fixed deposits pledged	-	7,563
Cash and cash equivalents at the end of the financial period	42,007	66,484

E. Notes to the condensed interim consolidated financial statements

1. General corporate information

Southern Packaging Group Limited (the “Company”) (Registration Number: 200313312N) is a public company limited by shares, incorporated and domiciled in the Republic of Singapore with its registered office at 36 Robinson Road, #20-01 City House, Singapore 068877 and principal place of business at No. 9 Foping Four Road, Gui Cheng, Nanhai, Foshan City, Guangdong 528251, the People's Republic of China. The Company is listed on the Main Board of Singapore Exchange Securities Trading Limited (“SGX-ST”). These condensed interim financial statements as at and for the six months ended 30 June 2026 comprise the Company and its subsidiaries (collectively, the Group). The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are trading and manufacturing of packaging products for foodstuff, medical and cosmetic products, and property development.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements and should be read in conjunction with the 2025 annual report. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2025.

There are no changes in the accounting policies adopted, which were consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

Impact of accounting standards to be applied in future periods

There are a number of standards and interpretations which have been issued by the ASC that are effective for periods beginning subsequent to 31 December 2025 (the date on which the Company's next annual financial statements will be prepared up to) that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

The condensed interim financial statements are presented in RMB which is the Company's functional currency.

2.1. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

2. Basis of Preparation (Cont'd)

2.1. Use of judgements and estimates (Cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 10 – Impairment of property, plant and equipment and land use rights
- Note 11 – Impairment of investment properties and net realisable value if properties held for sale
- Note 12 – Loss allowance for impairment of trade receivables
- Note 13 – Allowance for slow moving and obsolete inventories (excluding properties held for sale)
- Note 14 – Recognition of deferred tax assets and liabilities

3. Seasonal operations

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organized into the following main business segments:

-Segment 1: Rigid packaging;
-Segment 2: Flexible packaging; and
-Segment 3: Property under development

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker who are responsible for allocating resources and assessing performance of the operating segments.

4.1. Reportable segments

	Rigid packaging	Rigid packaging	Flexible packaging	Flexible packaging	Property Development	Property Development	Consolidated	Consolidated
RMB'000	2026	2025	2026	2025	2026	2025	2026	2025
	Jan-June	Jan-June	Jan-June	Jan-June	Jan-June	Jan-June	Jan-June	Jan-June
REVENUE								
External sales	222,157	197,675	111,914	87,405	-	-	334,071	285,080
RESULTS								
Segment gross profit	50,773	36,756	15,360	5,720	-	-	66,133	42,476
Allocated expenses	(38,001)	(36,809)	(19,211)	(17,417)	(1,117)	(1,302)	(58,329)	(55,528)
Allocated income	3,436	1,958	2,628	3	227	77	6,291	2,038
Segment result	16,209	1,905	(1,222)	(11,694)	(890)	(1,225)	14,095	(11,014)
Unallocated expenses							(4,253)	(4,992)
Unallocated income							2,565	2,787
Interest income							24	120
Interest expense							(8,680)	(9,434)
Profit/(Loss) before income tax							3,751	(22,533)
Income tax (expense)/credit							-	(188)
(Loss)/ Profit for the financial year attributable to owners of the Parent							3,751	(22,721)
ASSETS								
Segment assets	482,361	507,163	190,462	183,367	361,854	364,020	1,034,677	1,054,550
Unallocated corporate assets							66,332	30,431
Consolidated total assets							1,101,009	1,084,981
Expenditures for segment non-current assets								
Additions to non-current assets	5,925	6,884	4,570	1,735	-	-	10,495	8,619

4.1. Reportable segments (Continued)

	Rigid packaging	Rigid packaging	Flexible packaging	Flexible packaging	Property Development	Property Development	Consolidated	Consolidated
RMB'000	2026	2025	2026	2025	2026	2025	2026	2025
	Jan-June	Jan-June	Jan-June	Jan-June	Jan-June	Jan-June	Jan-June	Jan-June
Segment liabilities	93,315	149,501	76,509	93,272	9,570	45,062	179,394	287,835
Unallocated corporate liabilities							419,626	315,581
Consolidated total liabilities							599,020	603,416

4.2. Disaggregation of Revenue

	The Group			
	6 months ended 30 June 2026			
	Rigid packaging	Flexible packaging	Property development	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or service:				
Sales of goods	222,157	111,914	-	334,071
Total revenue	222,157	111,914	-	334,071
Timing of revenue recognition:				
At a point in time	222,157	111,914	-	334,071
Total revenue	222,157	111,914	-	334,071
Geographical information:				
PRC	203,393	96,569	-	299,961
Australia	9,383	-	-	9,383
America	-	399	-	399
Philippines	5,918	-	-	5,918
Thailand	137	7,215	-	7,352
Asia(excluding PRC)	3,326	7,732	-	11,058
Total revenue	222,157	111,914	-	334,071

	The Group			
	6 months ended 30 June 2025			
	Rigid packaging	Flexible packaging	Property development	Consolidated
	RMB'000	RMB'000	RMB'000	RMB'000
Types of goods or service:				
Sales of goods	197,675	87,405	-	285,080
Total revenue	197,675	87,405	-	285,080
Timing of revenue recognition:				
At a point in time	197,675	87,405	-	285,080
Total revenue	197,675	87,405	-	285,080
Geographical information:				
PRC	179,115	77,992	-	257,107
Australia	12,667	-	-	12,667
America	576	1,222	-	1,798
Philippines	4,343	-	-	4,343
Thailand	142	6,246	-	6,388
Asia(excluding PRC)	831	1,946	-	2,777
Total revenue	197,674	87,406	-	285,080

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2026 and 31 December 2025:

	The Group		**The Company**	
	30 June 2026	**31 December 2025**	**30 June 2026**	**31 December 2025**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Financial Assets				
Cash and bank balances and trade and other receivables (Amortised cost)	**170,517**	**229,396**	**1,441**	**1,356**
Financial Liabilities				
Trade and other payables and borrowings (Amortised cost)	**518,901**	**583,239**	**40,073**	**48,174**

6. Profit/(Loss) before taxation

Significant items

	Group	Group
	Jan-Jun 2026	Jan-Jun 2025
	RMB'000	RMB'000
Sales of raw materials and moulds	(2,271)	(2,030)
Interest income	(24)	(120)
Government grants	(2,737)	(982)
Foreign currency exchange loss	1,718	826
Depreciation on property, plant and equipment	14,185	23,193
Amortisation of prepaid lease payments	539	539
Research and development costs (included R&D staff cost)	15,399	13,830
Interest on borrowings	8,680	9,434
Employee benefits expense	52,954	49,959
Directors' remuneration		
- Director's fees	332	336
- Salaries, bonuses and allowances	1,718	1,941
- Contributions to defined contribution plans	23	22

7. Taxation

	6 months ended 30 June 2026	**6 months ended 30 June 2025**
	RMB'000	**RMB'000**
Current income tax expense	**-**	**188**
Deferred income tax	**-**	**-**

8. Dividends

	The Group	
	6 months ended 30 June 2026	**6 months ended 30 June 2025**
	RMB'000	**RMB'000**
Ordinary dividends paid relating to prior year	**-**	**-**
Interim dividend	**-**	**-**
Interim dividend per share-net of tax)	**NA**	**NA**

9. Net Asset Value

	Group		Company	
	30 June 2026	**31 December 2025**	**30 June 2026**	**31 December 2025**
	RMB	**RMB**	**RMB**	**RMB**
Net asset value per ordinary share	7.14	7.09	6.08	5.96

The NAV per share as at 30 June 2026 was calculated based on the number of shares in issue of 70,319,164 shares (31 December 2025: 70,319,164 shares).

10. Property, plant and equipment

Following is a reconciliation of changes in the balances of property, plant and equipment:

	Group
	RMB'000
Cost	
Balance as at 1.1.2026	1,172,768
Additions for the period	10,495
Disposals for the period	-
Balance as at 30.06.2026	1,183,263
Accumulated depreciation	
Balance as at 1.1.2026	823,376
Depreciation for the period	14,185
Disposals for the period	-
Balance as at 30.06.2026	837,561
Accumulated impairment loss	
Balance as at 1.1.2026	211
Balance as at 30.06.2026	211
Net book amount	
Balance as at 30.06.2026	345,491

During the half year ended 30 June 2026, the addition of property, plant and equipment amounted to RMB 10,494,681(31 December 2025: RMB 10,753,217).

11. Investment property

Following is a reconciliation of changes in the balances of investment property:

	FY2026
	RMB'000
Cost	
Balance as at 1.1.2026 and 30.06.2026	96,211
Accumulated depreciation	
Balance as at 1.1.2026	9,029
Depreciation for the period	1,082
Balance as at 30.06.2026	10,101
Carrying amount	86,110

Management is required to make judgements in reviewing the impairment indicators of the investment properties and the net realisable value of properties held for sale on whether an impairment loss should be recognised in the financial statements. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The management has determined the recoverable amount of the investment properties and properties held for sale using fair value estimated using the average of both direct comparison approach and income approach and further adjusted with cost of disposal. Based on the management assessment, there was no impairment loss recognised.

12. Trade receivables

The Group has segregated its customers by geographical areas and considered the historical loss pattern for each geographical area and relevant forward(looking information in order to determine the lifetime expected credit loss ("ECL") for its trade receivables.

The Group does not account for ECL allowance arising from non-credit impaired receivables as the amount is insignificant.

Credit impaired receivables refer to those debtors that are in significant financial difficulties and have defaulted on payment.

Movement in the loss allowance for credit impaired trade receivables is as follows:

	Group	
	30.06.2026	**30.06.2025**
	RMB'000	**RMB'000**
Balance as at the beginning of the financial year	428	166
Addition recognised in profit or loss	-	-
Balance as at the end of the financial year	428	166

During the six months ended 30 June 2026, the Group has not recognized any loss allowance for trade receivables (31 December 2025: loss allowance of RMB 428,402)

13. Inventories

The breakdown of inventories is as follows:

	Group	
	30.06.2026	**31.12.2025**
	RMB'000	**RMB'000**
Properties held for sale	275,755	275,755
Inventories for packaging business	91,525	78,565
Total	367,280	354,320

Management reviews the Group's inventory levels (excluding properties held for sale) in order to identify slow-moving and obsolete merchandise and identifies items of inventory which have a market price that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the sale ability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position. The carrying amount of the Group's inventories (excluding properties held for sale) as at 30 June 2026 was RMB 91,525,456 (31 December 2025: 78,565,959).

During the six months ended 30 June 2026, the Group carried out a review of the net realisable value of its inventories (excluding properties held for sale) which led to a write-down of inventories by RMB Nil (31 December 2025: RMB1,075,752).

14. Deferred tax assets and liabilities

The Group recognises deferred tax assets for unutilised tax losses and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which these tax benefits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and level of future taxable profits together with future tax planning strategies.

Deferred tax liabilities are recognised based on their best estimates of the likely taxes due. This includes the determination of estimated unremitted earnings for dividend distribution on which deferred tax liability is to be provided for. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made.

As at 30 June 2026, the carrying amounts of the Group's deferred tax assets and deferred tax liabilities were RMB9,842,777 (31 December 2025:RMB 9,842,777) and RMB1,000,000 (31 December 2025: RMB1,000,000) respectively.

15. Lease liabilities

The Group leases warehouse spaces, office and residential premises from external parties and related parties. Included in the lease arrangements, there are extension held and exercisable only by the Group. In determining the lease term, management considers the likelihood of either to exercise the extension option based on facts and circumstances that create an economic incentive to extend the lease.

The assessment on lease terms is reviewed at the end of each reporting period if there is a significant change in the Group's intentions, business plan or other circumstances unforeseen since it was first estimated. During the six months ended 30 June 2026, the weighted average borrowing rate applied to lease liabilities was 5.20% per annum (31 December 2025: 5.20%).

16. Borrowings

Amount repayable in one year or less, or on demand

Group		Group	
As at 30/06/2026		As at 31/12/2025	
RMB'000		RMB'000	
Secured	Unsecured	Secured	Unsecured
328,945	-	325,000	-

Amount repayable after one year

Group		Group	
As at 30/06/2026		As at 31/12/2025	
RMB'000		RMB'000	
Secured	Unsecured	Secured	Unsecured
76,062	-	88,530	-

Details of any collateral

The bank loans are secured as follows:

(a) Secured by property, plant and machinery, prepaid lease payments, investment property, property under development and pledged fixed deposits;

(b) Corporate guarantees by the Company; and

(c) Personal guarantee by a director/shareholder of the Company.

17. Share capital

	Group and Company			
	30 June 2026		31 December 2025	
	Number of shares	Amount	Number of shares	Amount
	'000	RMB'000	'000	RMB'000
Beginning of Interim period	70,319	230,593	70,319	230,593
Issue of ordinary shares by virtue of exercise of share options	-	-	-	-
End of interim period	70,319	230,593	70,319	230,593

The Company did not hold any treasury shares as at 30 June 2026.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2026 and 31 December 2025.

18. Related party transactions

During the six months ended 30 June 2026, the Group entities entered into the following transactions with related parties at rates and terms agreed between the parties:

	Group	
	Jan-Jun 2026	Jan-Jun 2025
	RMB	RMB
With certain Director of the Company		
Rental expense	338,448	425,844
With companies in which certain Director have control		
Rental expense	1,109,640	1,176,472
Property management fee	515,057	515,057

19. Fair value of financial assets and financial liabilities

The carrying amounts of the Group and the Company's current financial assets and current financial liabilities approximate their respective fair values as at the end of the reporting period due to the relatively short(term maturity of these financial instruments.

The fair values of the Group's non(current financial liabilities in relation to borrowings approximates its carrying amount as these financial instruments are at floating interest rates. For the fixed rate non-current borrowings, the management estimates that the carrying amount approximate its fair value as the interest rate of the borrowings approximate the market lending rate for similar types of loan at the end of the reporting period. The carrying amount of current borrowings is a reasonable approximation of its fair value due to its relatively short-term maturity.

20. Events after reporting period

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Southern Packaging Group Limited and its subsidiaries as at 30 June 2026 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six(month period then ended and certain explanatory notes have not been audited or reviewed.

2(i) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Nil

2(ii) 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.

	30 June 2026	**31 December 2025**
Total number of issued shares	70,319,164	70,319,164

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

Not applicable.

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

Not applicable.

3. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

4. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

4A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: (a) Updates on the efforts taken to resolve each outstanding audit issue. (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is material uncertainty relating to going concern.

Not applicable as the Group's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

5. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as compared with those used in the audited financial statements for the year ended 31 December 2025.

6. 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.

Not applicable.

7. 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.

	Group Jan-Jun 2026 RMB	Group Jan-Jun 2025 RMB
Earnings/(Loss) per ordinary share for the period based on net profit attributable to shareholders	0.05	(0.33)

The calculation of the Earnings/(Loss) per share is based on the Group's profit after tax attributable to owners of the Company of the respective years divided by 70,319,164 ordinary shares excluding treasury shares.

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.

Review of Group Performance

Revenue

The Group's revenue increased by RMB48.99 million (17.19%) from RMB285.08 million in the first half of FY2025 to RMB334.07 million in the first half of FY2026. The increase was mainly attributable to higher sales from the Group's packaging business, supported by higher order volumes from key downstream customers, the continued development of new customers and optimisation of the Group's customer and product mix. Both the rigid packaging and flexible packaging segments recorded higher revenue during the period, with the flexible packaging segment recording a higher percentage growth rate.

Gross Profit

The Group's gross profit increased by RMB23.66 million (55.70%) from RMB42.48 million for the first half of FY2025 to RMB66.13 million for the first half of FY2026. Gross profit margin improved from 14.90% to 19.80%. The improvement was mainly due to higher revenue and production volume from the packaging business, which improved the utilisation of manufacturing resources and reduced unit manufacturing costs. Both the rigid packaging and flexible packaging segments recorded higher gross profit during the period. The rigid packaging segment remained the main contributor to the Group's gross profit, while the flexible packaging segment recorded an improvement compared with the previous corresponding period. In addition, depreciation charges decreased following the extension of the useful lives of certain assets in the prior year.

Other Operating Income

Other operating income increased by RMB3.9 million to RMB8.88 million for the first half of FY2026 compared to RMB4.95 million in the previous corresponding period mainly due to the increase in government grants and mould sales revenue during the period.

Income/(Loss) before Income Tax

The Group's net profit before income tax was RMB3.75 million in the first half of FY2026 compared to a loss before income tax of RMB22.53 million in the first half of FY2025 manly due to the following:

- Gross profit increased by RMB23.66 million as mentioned above;
- Other operating income increased by RMB3.93 million as mentioned above;
- Distribution expenses increased by RMB1.13 million mainly due to the increase of freight costs during the period;
- Administrative expenses increased by RMB0.92 million;
- Finance costs decreased by RMB0.75 million mainly due to the lower interest rates and outstanding borrowing during the period.

Income Tax expense

Income tax expense was RMB Nil in the first half of FY2026 compared to an income tax expense of RMB0.19 million in the first half of FY2025 mainly due to the decrease in deferred tax accrued during the period.

Current Assets

Current assets increased by RMB3.14 million when compared to the end of FY2025. This was mainly due to the following:

a) Cash and cash equivalents decreased by RMB17.4 million;
b) Trade receivables increased by RMB2.7 million due to the increase in sales revenue;

c) Inventories increased by RMB12.96 million attributable to higher raw material inventories. In view of the heightened geopolitical tensions in the Middle East and potential uncertainties over supply chain stability and raw material procurement, the Group maintained a higher level of raw material stock during the period;
d) Other receivables increased by RMB4.8 million mainly due to the following:

		Group 30 June 2026 RMB'000	Group 31 Dec 2025 RMB'000
(i)	Other receivables and deposits	9,985	6,035
(ii)	Advances to suppliers and prepayment	31,082	33,461
(iii)	Value added tax	8,176	4,910
Total		49,243	44,406

Non-Current Assets

Non-current assets decreased by RMB5.39 million to RMB478.6 million in the first half of FY2026 from RMB484.0 million mainly due to the depreciation and amortisation charges during the period exceeded additions to property, plant and equipment.

Current Liabilities

Current liabilities increased by RMB6.84 million from RMB507.83 million to RMB514.67 million mainly due to the following:

- Trade payables increased by RMB3.12 million mainly due to the higher production volume during the period;
- Short-term bank borrowing increased by RMB3.95 million mainly due to the maturity profile of the Group's bank borrowings, while long-term borrowings decreased following repayments during the period;
- Current income tax payable slightly decreased by RMB0.01 million;
- Other payables decreased by RMB0.19 million due to the followings:

		Group 30 June 2026 RMB'000	Group 31 Dec 2025 RMB'000
(i)	Accrued expenses	17,982	18,998
(ii)	Other payables	5,525	8,186
(iii)	Advances to customers	7,680	4,195
Total		31,187	31,379

Long-Term Liabilities

Long-term liabilities decreased by RMB12.52 million from RMB96.86 million to RMB84.35 million mainly due to the decrease of the long-term borrowing during the period.

The Consolidated Statement of Cash Flows

In the first half of FY2026, the Group recorded cash inflows in operating activities amounted to RMB10.3 million as compared to cash generated in operating activities of RMB6.6 million in the first half of FY2025 mainly due to:
a) Operating cash flows (before working capital changes) amounted to RMB28.1 million;
b) Cash outflows from Inventories amounted to RMB13.0 million;
c) Cash outflows from trade receivable and other receivable amounted to RMB11.4 million;
d) Cash inflows from trade payables and other payables amounted to RMB6.5 million.

The net cash used in investing activities increased by RMB2.0 million from RMB8.5 million in the first half of FY2025 to RMB 10.5 million in the first half of FY2026 mainly due to the increase of new investment of PPE during the period.

The Group recorded a net cash outflows in financing activities amounting to RMB16.8 million in the first half of FY2026 as compared to cash inflow amounting to RMB 6.28 million in the first half of FY2025. It was mainly due to the decrease of bank borrowing during the period.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

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.

At the date of this announcement, the domestic market in China in which the Group operates continues to undergo structural changes. Against the backdrop of cautious consumer sentiment, weakening downstream demand, excess capacity and supply-demand imbalances, competition in the packaging industry has increasingly shifted towards competition for market share within existing demand, resulting in continued pricing pressure.

Downstream customers have responded by accelerating product innovation and product iteration, optimising sales channels, and strengthening cost and efficiency management. These changes have raised their requirements for packaging suppliers in terms of innovation support, responsiveness, delivery capability, quality stability and cost competitiveness.

In response, the Group will continue to focus on its core packaging business, deepen cooperation with strategic customers and broaden the range and depth of product lines supplied to them. The Group will also continue to support customers' packaging innovation, optimise production efficiency and manufacturing processes, reduce unit production costs, and strengthen its competitiveness. Going forward, the Group will focus on product mix optimisation, closer collaboration with strategic customers, lean production, digital systems, procurement and inventory management, and the strengthening of domestic customer channels to gradually restore sustainable growth and profitability.

In view of heightened geopolitical tensions in the Middle East and related uncertainties over supply chain stability, the Group maintained higher raw material inventories during the period to support production continuity. The Group will continue to review inventory levels and working capital requirements in light of market and supply conditions.

Visitor traffic at Apex Tower continued to improve during the first half of 2026, and efforts to achieve sales targets remain ongoing. However, no units were sold during the first half of 2026, highlighting the need to expand marketing outreach and engage a broader base of potential buyers.

11. Dividend

(a) Current Financial Period Reported On

None

(b) Corresponding Period of the Immediately Preceding Financial Year

None

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended as the Company has just made a profit for the half year ended 30 June 2026.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Company has not obtained a general mandate from shareholders for interested person transactions ("**IPTs**") pursuant to Rule 920 of the Listing Manual.

The IPTs entered into by the Company or the Group during the financial period 30 June 2026 were as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) 30 June 2026	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) 30 June 2026
Guangdong Xing Hua Health Drink Co. Ltd. (1)	RMB839,880 (S$155,533)	-
Pan Shun Ming and Mai Shu Ying(2)	RMB338,448 (S$62,792)	-
Foshan Jia Bei Le Property Management Co. Ltd.(3)	RMB512,200 (S$95,028)	-

(1) Rental payment to Guangdong Xing Hua Health Drink Co. Ltd., an associate company of Pan Shun Ming (Executive Chairman, CEO and Substantial Shareholder) and Mai Shu Ying (Substantial Shareholder), for factory occupied by Foshan Southern Packaging Co., Ltd. ("**Foshan SP**"), a wholly-owned subsidiary of the Company.
(2) Rental payment for Office occupied by Southern (HK) Packaging Company Limited, a wholly-owned subsidiary of the Company.
(3) Property management fee of Apex Tower.

14. Negative Assurance Confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

The Board of Directors confirms that to the best of its knowledge, nothing has come to the attention of the Board of Directors of Southern Packaging Group Limited which may render these interim financial results for the half year ended 30 June 2026 to be materially false or misleading.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that all the required undertakings under the Rule 720(1) of the Listing Manual have been obtained from its Directors and Executive Officers in the format set out in Appendix 7.7.

BY ORDER OF THE BOARD

Mr Pan Shun Ming

Executive Chairman and Chief Executive Officer

12 August 2026