

Southern Packaging Group Limited

Unaudited Full Year Financial Statement for the Year Ended 31 December 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	Group	Change
	2018	2017	
	RMB'000	RMB'000	
Revenue	724,154	723,015	0.2%
Cost of sales	(586,928)	(560,356)	4.7%
Gross profit	137,226	162,659	(15.6%)
Gross profit margin	19%	22%	
Other operating income	8,650	8,504	1.7%
Distribution expenses	(42,830)	(41,337)	3.6%
Administrative expenses	(87,231)	(87,818)	(0.7%)
Finance costs	(18,236)	(13,690)	33.2%
(Loss)/Profit before income tax	(2,421)	28,318	NM
Income tax credit/(expense)	196	(2,641)	NM
(Loss)/Profit for the year	(2,225)	25,677	NM
Other comprehensive income: Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	837	(1,056)	NM
Total comprehensive income attributable to: Owners of the Parent	(1,388)	24,621	NM

1(a)(ii) The accompanying notes to the financial statements form an integral part of the financial statements

	Group	Group
	RMB'000	RMB'000
	2018	2017
Sales of raw materials	(1,814)	(4,203)
Interest income	(453)	(533)
Rental income	(324)	(312)
Foreign currency exchange loss (gains), net	1,259	(197)
Government grants	(4,099)	(1,523)
Depreciation of property, plant and equipment	48,085	39,973
Amortisation of contract assets	10,796	10,460
Amortisation of prepaid lease payments	1,288	1,438
Reversal of impairment of trade receivables	(534)	(1,714)
Employee benefits expense(including directors' remuneration)	117,933	111,457
Research and development costs (included in administrative expenses)	30,485	30,387
Loss on disposal of property, plant and equipment	465	90
Loss on property, plant and equipment written off	678	-
Reversal of allowance for inventories	(200)	(745)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group	Group	Company	Company
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RMB'000	RMB'000	RMB'000	RMB'000
	(Restated)			
<u>Current assets:</u>				
Cash and cash equivalents	78,727	129,380	1,437	535
Trade receivables	164,094	169,151	-	-
Other receivables and prepayments	28,889	32,371	1,305	1,305
Inventories	82,164	75,170	-	-
Property under development	65,126	-	-	-
Contract assets	9,149	9,765	-	-
Total current assets	428,149	415,837	2,742	1,840
<u>Non-current assets:</u>				
Investment in subsidiaries	-	-	465,933	465,933
Property, plant and equipment	496,191	506,527	-	-
Investment property	435	452	-	-
Contract assets	18,362	20,360	-	-
Prepaid lease payments	41,828	59,049	-	-
Deferred tax assets	2,546	1,450	-	-
Total non-current assets	559,362	587,838	465,933	465,933
Total assets	987,511	1,003,675	468,675	467,773

	Group	Group	Company	Company
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RMB'000	RMB'000	RMB'000	RMB'000
	(Restated)			
<u>Current liabilities:</u>				
Trade payables	92,554	120,306	-	-
Other payables	48,980	32,595	25,444	14,041
Borrowings	254,929	184,143	-	-
Current income tax payable	5,161	4,562	-	-
Deferred government subsidy	916	916	-	-
Total current liabilities	402,540	342,522	25,444	14,041
<u>Non-current liabilities:</u>				
Deferred government subsidy	12,239	13,155	-	-
Borrowings	24,767	97,433	-	-
Deferred tax liabilities	1,000	1,000	-	-
Total non-current liabilities	38,006	111,588	-	-
<u>Equity:</u>				
Share capital	230,593	230,593	230,593	230,593
Capital contribution	12,639	12,639	-	-
Statutory reserves	56,937	56,292	-	-
Foreign currency translation account	(2,275)	(3,112)	-	-
Retained earnings	249,071	253,153	212,638	223,139
Total equity	546,965	549,565	443,231	453,732
Total liabilities and equity	987,511	1,003,675	468,675	467,773

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/12/2018		As at 31/12/2017	
RMB'000		RMB'000	
Secured	Unsecured	Secured	Unsecured
254,929	-	184,143	-

Amount repayable after one year

As at 31/12/2018		As at 31/12/2017	
RMB'000		RMB'000	
Secured	Unsecured	Secured	Unsecured
24,767	-	97,433	-

Details of any collateral

The loans are secured as follow:

- (a) Secured by property, plant and machinery, prepaid lease payments, investment property and pledged fixed deposits;
- (b) Corporate guarantees by the Company and a subsidiary; and
- (c) Personal guarantee by a shareholder/director of the Company.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 2018 RMB'000	Group 2017 RMB'000
<u>Cash flows from operating activities</u>		
(Loss)/Profit before income tax	(2,421)	28,318
Adjustments for:		
Depreciation of property, plant and equipment	48,085	39,973
Amortisation of contract assets	10,796	10,460
Depreciation of investment property	17	17
Amortisation of deferred government subsidy	(916)	(768)
Amortisation of prepaid lease payments	1,288	1,438
Interest income	(453)	(533)
Interest expense	18,236	13,690
Unrealised foreign currency exchange loss	1,335	(142)
Reversal of write-down inventories	(200)	(745)
Reversal of allowance made for doubtful trade receivables	(534)	(1,714)
Loss on disposal of property, plant and equipment	465	90
Loss on property, plant and equipment written off	678	-
Operating cash flows before working capital changes	76,376	90,084
Working capital changes:		
Trade receivables	5,166	(11,142)
Other receivables and prepayments	3,538	13,883
Contract assets	(8,183)	(6,891)
Inventories	(6,803)	(2,003)
Property under development	(48,056)	-
Trade payables	(44,525)	(7,177)
Other payables	16,722	4,644
Cash (used in)/generated from operations	(5,765)	81,398
Income tax paid	(634)	(8,944)
Net cash (used in)/generated from operating activities	(6,399)	72,454
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(23,485)	(95,802)
Proceeds from disposal of property, plant and equipment	422	228
Interest received	453	533
Net cash used in investing activities	(22,610)	(95,041)

	Group 2018 RMB'000	Group 2017 RMB'000
<u>Cash flows from financing activities</u>		
Interest paid	(18,236)	(13,690)
Proceeds from borrowings	246,981	308,770
Repayment of borrowings	(248,801)	(252,777)
Decrease/(Increase) in pledged fixed deposits	790	(5,139)
Dividends paid	(1,212)	(4,168)
Net cash (used in)/generated from financing activities	(20,478)	32,996
 (Decrease)/Increase in cash and cash equivalents	 (49,487)	 10,409
Cash and cash equivalents at the beginning of the financial year	116,338	106,690
Effect of foreign exchange rate changes on cash and cash equivalents in foreign currencies	(376)	(761)
Cash and cash equivalents at the end of the financial year (Note A)	66,475	116,338

Note A: Cash and Cash Equivalents

	2018 RMB'000	2017 RMB'000
Cash and cash equivalents	78,727	129,380
Less: Fixed deposits pledged	(12,252)	(13,042)
Cash and cash equivalents at the end of the financial year	66,475	116,338

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital RMB'000	Statutory reserve RMB'000	Capital contribution RMB'000	Retained earnings RMB'000	Foreign currency translation account RMB'000	Total equity RMB'000
Balance as at 1.1.2017	230,593	55,313	12,639	232,623	(2,056)	529,112
Profit for the financial year	-	-	-	25,677	-	25,677
Other comprehensive income for the financial year						
- Exchange differences on translation of foreign operations	-	-	-	-	(1,056)	(1,056)
Total comprehensive income for the financial year	-	-	-	25,677	(1,056)	24,621
Transfer to statutory reserve	-	979	-	(979)	-	-
Cash dividends	-	-	-	(4,168)	-	(4,168)
Balance as at 31.12.2017	230,593	56,292	12,639	253,153	(3,112)	549,565
Balance as at 1.1.2018	230,593	56,292	12,639	253,153	(3,112)	549,565
Loss for the financial year	-	-	-	(2,225)	-	(2,225)
Other comprehensive income for the financial year						
- Exchange differences on translation of foreign operations	-	-	-	-	837	837
Total comprehensive income for the financial year	-	-	-	(2,225)	837	(1,388)
Transfer to statutory reserve	-	645	-	(645)	-	-
Cash dividends	-	-	-	(1,212)	-	(1,212)
Balance as at 31.12.2018	230,593	56,937	12,639	249,071	(2,275)	546,965

Company	Share capital RMB'000	Retained earnings RMB'000	Total equity RMB'000
Balance as at 1.1.2017	230,593	213,088	443,681
Cash dividends	-	(4,168)	(4,168)
Total comprehensive income for the financial year	-	14,219	14,219
Balance as at 31.12.2017	<u>230,593</u>	<u>223,139</u>	<u>453,732</u>
Balance as at 1.1.2018	230,593	223,139	453,732
Cash dividends	-	(1,212)	(1,212)
Total comprehensive income for the financial year	-	(9,289)	(9,289)
Balance as at 31.12.2018	<u>230,593</u>	<u>212,638</u>	<u>443,231</u>

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 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 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

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.

	31 December 2018	31 December 2017
Total number of issued shares	70,319,164	70,319,164

1(d)(iv) 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.

1(d)(v) 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.

2. 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.

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

Not applicable.

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

Except for the adoption of revised Financial Reporting Standards as disclosed in Section 5 below, 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 2017.

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.

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2018. Except as disclosed below, the adoption of these new/revised FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current period or prior years.

Upon adopting SFRS(I) 15, the Group capitalises costs incurred on the purchase of moulds and tooling. These costs have been capitalised and included in contract assets as they are incremental costs incurred in relation to contract awarded. Reclassification adjustment had been made to reclassify the carrying amount of moulds and tooling from property, plant and equipment to contract assets.

	Previously		
As at 31 December 2017	reported	Adjustments	Restated
	RMB'000	RMB'000	RMB'000
Current assets			
Contract assets	-	9,765	9,765
Non-current assets			
Contract assets	-	20,360	20,360
Property, plant and equipment	536,652	(30,125)	506,527

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.

	Group 2018	Group 2017
Earnings per ordinary share for the year based on		
net (loss)/profit attributable to shareholders (RMB):	(0.03)	0.37

The calculation of the earnings 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.

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

	Group	Group	Company	Company
	2018	2017	2018	2017
Net asset value (NAV) per ordinary share (RMB)	7.78	7.82	6.30	6.45

The NAV per share as at 31 December 2018 were calculated based on the number of shares in issue of 70,319,164 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. The review must discuss 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; it must also discuss 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 RMB1.1million (0.2%) from RMB723.0 million in FY2017 to RMB724.2 million in FY2018.

Sales of rigid packaging increased by RMB44 million (10.3%) from RMB427.9 million in FY2017 to RMB471.9 million in FY2018. The sales of flexible packaging decreased by RMB42.9 million (14.5%) from RMB295.1 million in FY2017 to RMB252.2 million in FY2018.

Gross Profit

The Group's gross profit decreased by RMB25.4 million (15.6%) to RMB137.2 million in FY2018 as compared to RMB162.7 million in FY2017. The gross profit margin decreased by 3 percentage points to 19% in FY2018 compared to 22% in FY2017.

The gross profit margin decreased mainly due to the increase in purchase price of raw materials, labor costs and depreciation.

Other operating income

Other operating income increased by RMB0.1 million from RMB8.5 million in FY2017 to RMB8.6 million in FY2018.

(Loss)/Profit before Income Tax

The Group had incurred loss before income tax of RMB2.4 million in FY2018 as compared to profit before tax of RMB28.3 million for the previous corresponding period.

This was mainly due to:

- a) Gross profit decreased by RMB25.4 million as mentioned above;
- b) Distribution expenses increased by RMB1.5 million mainly due to the increase in freight charges;
- c) Finance costs increased by RMB4.5 million due to the increase in bank borrowings during the year.

Income Tax

Income tax expenses decreased by RMB2.84 million mainly due to the net loss incurred for the year.

Current Assets

Current assets increased by RMB12.3 million from RMB415.8 million in FY2017 to RMB428.1 million in FY2018. This was mainly due to the following:

- a) Cash and bank balances decreased by RMB50.7 million;
- b) Trade receivables decreased by RMB5.1million;
- c) Inventories increased by RMB7 million;
- d) Property under development increased by RMB65.1 million;
- e) Contract assets decreased by RMB0.6 million;
- f) Other receivables and prepayment decreased by RMB3.5 million mainly due to the followings:

	Group 31 Dec 2018 RMB'000	Group 31 Dec 2017 RMB'000
(i) Other receivables	12,358	8,913
(ii) Advances to suppliers	16,357	22,065
(iii) Prepayments	174	1,393
Total	28,889	32,371

- (i) This comprises mainly utilities deposits, rental deposits, value-added taxes recoverable and deposits for customs duties.
- (ii) Advances to suppliers decreased by RMB5.7 million mainly due to the decrease in purchase of raw materials.
- (iii) Prepayments decreased by RMB1.2 million mainly due to the decrease of prepayment for construction project undertaken in Gaoming and Jiangsu.

Non-Current Assets

Non-current assets decreased by RMB28.4 million (4.8%) to RMB559.4 million from RMB587.8 million mainly due to reclassification of certain property, plant and equipment to contract assets and property under development as current assets.

Current Liabilities

Current liabilities increased by RMB60 million (17.5%) from RMB342.5million to RMB402.5 million mainly due to the following:

- Trade payables decreased by RMB27.8 million;
- Other payables increased by RMB16.4 million mainly due to the increase in accrued expenses and advanced from the customer for the period;
- Short-term bank borrowings increased by RMB70.8 million;

Non-Current Liabilities

Non-current liabilities decreased by RMB73.6 million(66%) from RMB111.6 million in FY2017 to RMB38.0 million in FY2018 mainly due to the following:

- Deferred government subsidy decreased by RMB0.9 million mainly due to the amortisation of subsidy received by the subsidiary;
- Long-term bank borrowings decreased by RMB72.7 million.

The Consolidated Statement of Cash Flows

In FY2018, the Group recorded cash outflows used in operating activities of the Group amounted to RMB6.4 million as compared with net cash flows generated of RMB72.5million in FY2017 mainly due to

- a) Reduction in operating cash flows (before working capital changes) by RMB13.7million and
- b) Cash outflows from trade payables increased by RMB37.3 million;
- c) Cash outflows from property under development by RMB48.1million;
- d) Cash generated from other payable increased by RMB12.1 million;

The net cash used in investing activities had decreased by RMB72.4 million from RMB95 million in FY2017 to RMB22.6million in FY 2018 mainly due to decrease in purchase of property, plant and equipment.

The Group recorded a net cash outflow in financing activities amounting to RMB20.5 million in FY2018 as compared with a net cash inflow amounting to RMB33 million in FY2017. It was mainly due to decrease in borrowing.

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.

The overall profitability has been affected by increase in the cost of raw materials, labor, energy and environmental protection costs. The Group will strive to mitigate these costs by continually enhancing its capabilities in the area of automation, and in energy conservation in production activities.

In addition, the Group will improve our market competitiveness by devoting even more efforts in researching and developing new products and processes, so as to add value to the services that we provide to customers, and to anticipate and meet their requirements and expectations. With the new production facilities at Gaoming and Changzhou, the Group is well positioned to achieve these objectives.

11. Dividend

(a) Current Financial Period Reported On

No dividend has been declared/recommended for FY2018.

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	First and Final	Total
Dividend Type	Cash	Cash
Dividend Amount Per Ordinary Share (S\$)	0.36 cents	0.36 cents
Taxation	One-tier tax exempt	One-tier tax exempt

(c) Date Payable

Not applicable.

(d) 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.

There is no dividend recommended and declared by the Directors in respect of the current financial period ended 31 December 2018 as the Group is loss making in FY2018.

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 year ended 31 December 2018 are 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 <u>Rule 920</u>) FY2018	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u> (excluding transactions less than S\$100,000) FY2018
Guangdong Xing Hua Health Drink Co. Ltd ⁽¹⁾	RMB1,832,940 (S\$373,170)	-
Mai Shu Ying ,Pan Shun Ming ⁽²⁾	RMB781,815 (S\$159,171)	-
Foshan Unibott Technology Limited ⁽³⁾	RMB6,054,634 (S\$1,232,671)	-

(1) Rental payment for factory occupied by Foshan Southern Packaging Co., Ltd.

(2) Rental payment for office occupied by Southern (HK) Packaging Company Limited.

(3) Supply of products by Foshan Southern Packaging Co., Ltd.

14. 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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Rigid packaging		Flexible packaging		Property Development		Consolidated	
RMB'000	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
REVENUE								
External sales	471,916	427,878	252,238	295,137	-	-	724,154	723,015
RESULTS								
Segment gross profit	90,647	104,581	46,579	58,078	-	-	137,226	162,659
Allocated expenses	(78,161)	(71,956)	(41,312)	(46,262)	-	-	(119,473)	(118,218)
Allocated income	2,375	3,946	638	3,172	-	-	3,013	7,118
Segment result	14,861	36,571	5,905	14,988	-	-	20,766	51,559
Unallocated expenses							(10,588)	(10,937)
Unallocated income							5,184	853
Interest income							453	533
Interest expense							(18,236)	(13,690)
(Loss)/Profit before income tax							(2,421)	28,318
Income tax expense							196	(2,641)
(Loss)/Profit for the financial year attributable to owners of the Parent							(2,225)	25,677
ASSETS								
Segment assets	576,061	539,765	241,992	266,121	65,126	-	883,179	805,886
Unallocated corporate assets							104,332	197,789
Consolidated total assets							987,511	1,003,675

	Rigid packaging		Flexible packaging		Property Development		Consolidated	
RMB'000	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Segment liabilities	175,130	84,307	51,667	62,976	-	-	226,797	147,283
Unallocated corporate liabilities							213,749	306,827
Consolidated total liabilities							440,546	454,110

Other Segment Information

	Additions to non-current assets		Depreciation and amortisation	
RMB'000	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Rigid packaging	30,872	115,057	40,218	32,062
Flexible packaging	17,748	14,737	18,655	18,371
Unallocated segments	-	-	1,306	1,455
	48,620	129,794	60,179	51,888

Revenue from major products and services

Revenue from external customers is derived mainly from the sale of packaging products.

Geographical segments

The Group's operations are mainly located in PRC and Hong Kong. Manufacturing of products is carried out in PRC.

The Group's revenue from external customers and information about its segment assets (non-current assets excluding deferred tax assets) by geographical location are presented below:

	<u>Revenue</u>		<u>Non-current assets</u>	
RMB'000	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
PRC(excluded Hong Kong)	673,902	667,419	556,816	586,388
America	4,900	6,376	-	-
Netherlands	3,231	4,935	-	-
Australia	11,573	6,628	-	-
Asia(excluded PRC)	30,548	37,657	-	-
Total	724,154	723,015	556,816	586,388

Information about major customers

Included in revenues arising from rigid packaging and flexible packaging are revenues of RMB 160,256,824 (2017: RMB 130,004,499) and RMB 10,542,699 (2017: RMB 12,823,692) respectively which were derived from sales to the Group's largest customer.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

The sales to the PRC and Australia have improved in FY2018, but the sales revenue contribution from America and Asia (excluding PRC) weakened in FY2018 compared to FY2017 as a result of the decline of sales volume.

17. A breakdown of sales as follows:

	<u>Group</u>		
	<u>2018</u>	<u>2017</u>	<u>+/(-)</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>%</u>
Sales reported for first half year	343,122	349,701	(2)
Operating profit after tax reported for first half year	2,405	13,276	(82)
Sales reported for second half year	381,032	373,314	2
Operating profit/(loss) after tax reported for second half year	(4,630)	12,401	NM

18. A breakdown of the total annual dividend (in SGD) for the issuer's latest full year and its previous full year.

	<u>2018</u>	<u>2017</u>
	<u>SGD'000</u>	<u>SGD'000</u>
Ordinary		
Interim	-	-
Final	-	253
Total	-	253

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Pan Zhaojin	36	Son of Mr Pan Shun, the Executive Chairman and CEO and substantial shareholder of the Company; and Madam Mai Shuying, the Executive Director and substantial shareholder of the Company	Deputy Chief Operating Officer since February 2017 - oversee the daily business operations of the Group (sales, marketing, business development and etc)	No Change

BY ORDER OF THE BOARD

Mr. Pan Shun Ming
Executive Chairman and Chief Executive Officer
March 1, 2019