

Southern Packaging Group Limited

Unaudited Full Year Financial Statement for the Year Ended 31 December 2016

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 2016 RMB'000	Group 2015 RMB'000	Change
Revenue	650,500	691,074	(6%)
Cost of sales	(476,202)	(511,652)	(7%)
Gross profit	174,298	179,422	(3%)
Gross profit margin	27%	26%	
Other operating income	7,795	8,505	(8%)
Distribution expenses	(36,286)	(35,897)	1%
Administrative expenses	(85,504)	(79,376)	8%
Finance costs	(12,333)	(20,457)	(40%)
Profit before income tax	47,970	52,197	(8%)
Income tax expense	(7,043)	(10,807)	(35%)
Profit for the year	40,927	41,390	(1%)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	1,109	1,141	(3%)
Total comprehensive income attributable to:			
Owners of the Parent	42,036	42,531	(1%)

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

	Group	Group
	RMB'000	RMB'000
	2016	2015
Sales of raw materials and moulds	(2,247)	(5,492)
Interest income	(664)	(1,103)
Rental income	(461)	(247)
Foreign currency exchange gains, net	(961)	(487)
Government grant income	(2,704)	(559)
Depreciation of property, plant and equipment	46,631	44,498
Amortisation of prepaid lease payments	1,344	1,498
Trade receivables written off	-	11
Allowance for impairment of trade receivables	1,299	775
Employee benefits expense(including directors' remuneration)	89,036	90,541
Research and development costs (included in administrative expenses)	26,588	27,660
Utilities	37,696	37,421
Loss on disposal of property, plant and equipment	1,601	510
Write-down of inventories	20	1,972

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
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Current assets:</u>				
Cash and cash equivalents	114,593	108,214	1,305	1,324
Trade receivables	155,523	156,645	-	-
Other receivables and prepayments	41,848	24,833	693	65
Prepaid lease payments	1,438	1,499	-	-
Inventories	72,437	74,122	-	-
	385,839	365,313	1,998	1,389
Asset held for sale	-	7,882	-	-
Total current assets	385,839	373,195	1,998	1,389
<u>Non-current assets:</u>				
Investment in subsidiaries	-	-	449,313	415,108
Property, plant and equipment	462,535	415,854	-	-
Investment property	470	1,068	-	-
Prepaid lease payments	59,049	63,358	-	-
Deferred tax assets	2,163	1,382	-	-
Total non-current assets	524,217	481,662	449,313	415,108
Total assets	910,056	854,857	451,311	416,497

	Group	Group	Company	Company
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Current liabilities:</u>				
Trade payables	103,953	106,026	-	-
Other payables	28,065	28,233	7,630	5,550
Bank borrowings	167,035	138,071	-	-
Current income tax payable	5,844	6,840	-	-
Deferred government subsidy	561	561	-	-
Total current liabilities	305,458	279,731	7,630	5,550
<u>Non-current liabilities:</u>				
Deferred government subsidy	14,277	11,294	-	-
Bank borrowings	58,896	70,000	-	-
Deferred tax liabilities	2,313	2,697	-	-
Total non-current liabilities	75,486	83,991	-	-
<u>Equity:</u>				
Share capital	230,593	230,593	230,593	230,593
Capital contribution	12,639	12,639	-	-
Statutory reserves	55,313	48,164	-	-
Foreign currency translation account	(2,056)	(3,165)	-	-
Retained earnings	232,623	202,904	213,088	180,354
Total equity	529,112	491,135	443,681	410,947
Total liabilities and equity	910,056	854,857	451,311	416,497

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

Amount repayable in one year or less, or on demand

As at 31/12/2016		As at 31/12/2015	
RMB'000		RMB'000	
Secured	Unsecured	Secured	Unsecured
167,035	-	138,071	-

Amount repayable after one year

As at 31/12/2016		As at 31/12/2015	
RMB'000		RMB'000	
Secured	Unsecured	Secured	Unsecured
58,896	-	70,000	-

Details of any collateral

The bank 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
- (c) Personal guarantee by two controlling shareholders/directors 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 2016 RMB'000	Group 2015 RMB'000
<u>Cash flows from operating activities</u>		
Profit before income tax	47,970	52,197
Adjustments for:		
Depreciation of property, plant and equipment	46,631	44,498
Depreciation of investment property	17	23
Amortisation of deferred government subsidy	(561)	(528)
Amortisation of prepaid lease payments	1,344	1,498
Bad trade receivables written off	-	11
Interest income	(664)	(1,103)
Interest expense	12,333	20,457
Unrealised foreign currency exchange loss	370	83
Write-down of inventories	20	1,972
Allowance made for doubtful trade receivables	1,299	775
Loss on disposal of property, plant and equipment	1,601	510
Gain from expropriated land	(743)	-
Operating cash flows before working capital changes	109,617	120,393
Working capital changes:		
Trade receivables	2,880	27,609
Other receivables and prepayments	(16,861)	(2,498)
Inventories	1,665	18,124
Trade payables	(14,997)	(6,111)
Other payables	(438)	7,221
Cash generated from operations	81,866	164,738
Income tax paid	(9,203)	(5,656)
Net cash from operating activities	72,663	159,082
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(89,486)	(27,528)
Proceeds from disposal of property, plant and equipment	5,780	4,057
Purchase of prepaid lease payments	-	(506)
Compensation for expropriated land	3,768	-
Government subsidies received on purchase of property, plant and equipment	3,544	900
Proceeds from disposal of asset held for sale	7,882	-
Net cash used in investing activities	(68,512)	(23,077)

	Group 2016 RMB'000	Group 2015 RMB'000
<u>Cash flows from financing activities</u>		
Interest paid	(12,333)	(20,457)
Interest received	664	1,103
Proceeds from bank borrowings	177,181	167,130
Repayment of bank borrowings	(159,923)	(323,102)
(Increase)/Decrease in pledged fixed deposits	(4,594)	15,824
Dividends paid	(4,059)	(2,613)
Net cash used in financing activities	(3,064)	(162,115)
Increase/(Decrease) in cash and cash equivalents	1,087	(26,110)
Cash and cash equivalents at the beginning of the financial year	104,905	130,382
Effect of foreign exchange rate changes on cash and cash equivalents in foreign currencies	698	633
Cash and cash equivalents at the end of the financial year (Note A)	<u>106,690</u>	<u>104,905</u>

Note A: Cash and Cash Equivalents

	2016 RMB'000	2015 RMB'000
Cash and cash equivalents	114,593	108,214
Less: Fixed deposits pledged	(7,903)	(3,309)
Cash and cash equivalents at the end of the financial year	<u>106,690</u>	<u>104,905</u>

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.

	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
Group						
Balance as at 1.1.2015	230,593	46,009	12,639	166,282	(4,306)	451,217
Profit for the financial year	-	-	-	41,390	-	41,390
Other comprehensive income for the financial year						
- Exchange differences on translation of foreign operations	-	-	-	-	1,141	1,141
Total comprehensive income for the financial year	-	-	-	41,390	1,141	42,531
Transfer to statutory reserve	-	2,366	-	(2,366)	-	-
Liquidation of a subsidiary	-	(211)	-	211	-	-
Cash dividends	-	-	-	(2,613)	-	(2,613)
Balance as at 31.12.2015	230,593	48,164	12,639	202,904	(3,165)	491,135
Balance as at 1.1.2016	230,593	48,164	12,639	202,904	(3,165)	491,135
Profit for the financial year	-	-	-	40,927	-	40,927
Other comprehensive income for the financial year						
- Exchange differences on translation of foreign operations	-	-	-	-	1,109	1,109
Total comprehensive income for the financial year	-	-	-	40,927	1,109	42,036
Transfer to statutory reserve	-	7,149	-	(7,149)	-	-
Cash dividends	-	-	-	(4,059)	-	(4,059)
Balance as at 31.12.2016	230,593	55,313	12,639	232,623	(2,056)	529,112

	Share capital	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000
The Company			
Balance as at 1.1.2015	230,593	169,122	399,715
Cash dividends	-	(2,613)	(2,613)
Total comprehensive income for the financial year	-	13,845	13,845
Balance as at 31.12.2015	<u>230,593</u>	<u>180,354</u>	<u>410,947</u>
Balance as at 1.1.2016	230,593	180,354	410,947
Cash dividends	-	(4,059)	(4,059)
Total comprehensive income for the financial year	-	36,793	36,793
Balance as at 31.12.2016	<u>230,593</u>	<u>213,088</u>	<u>443,681</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 also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, 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.

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 2016 (after share consolidation)	31 December 2015 (before share consolidation)
Total number of issued shares	70,319,164	281,276,826

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.

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 2015.

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 ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2016. 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.

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 2016	Group 2015
Earnings/(Losses) per ordinary share for the year based on net profit attributable to shareholders (RMB):	0.58	0.59

On 29 February 2016, the Company completed a share consolidation of every four (4) ordinary shares in the capital of the Company into one (1) consolidated share.

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 (after share consolidation) excluding treasury shares.

The comparative for 2015 has been adjusted to account for the effect of the four (4) to one (1) share consolidation.

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.

	Group 2016	Group 2015	Company 2016	Company 2015
Net asset value (NAV) per ordinary share (RMB)	7.52	6.98	6.31	5.84

The NAV per share as at 31 December 2016 were calculated based on the number of shares in issue of 70,319,164 shares (after share consolidation) excluding treasury shares (The comparative for FY2015 has been adjusted to account for the effect of the four (4) to one (1) share consolidation).

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 decreased by RMB40.6 million (6%) from RMB691.1 million in FY2015 to RMB650.5 million in FY2016.

Sales of rigid packaging increased by RMB9 million (2%) from RMB360.8 million in FY2015 to RMB369.8 million in FY2016. The sales of flexible packaging decreased by RMB49.5 million (15%) from RMB330.2 million in FY2015 to RMB280.7 million in FY2016, these were mainly due to the reduction in orders from several major customers in the midst of uncertain global and local economic conditions.

Gross Profit

The Group's gross profit decreased by RMB5.1 million (3%) to RMB174.3 million in FY2016 as compared to RMB179.4 million in FY2015. The gross profit margin increased by 1 percentage point to 27% in FY2016 compared to 26% in FY2015.

The gross profit margin increased mainly due to the change in product mix and the increase in the sales of new products which have better margins.

Other operating income

Other operating income decreased by RMB0.7 million from RMB8.5 million in FY2015 to RMB7.8 million in FY2016.

This change was mainly due to:

- a) Decrease in sales of raw materials, samples and moulds by RMB3.2 million;
- b) Increase in government grants by RMB2.1 million, which was mainly due to the Technology Innovation Reward scheme awarded to the Group in FY2016.

Profit before Income Tax

The Group's net profit before income tax decreased by RMB4.2 million (8%) to RMB48 million in FY2016 compared to RMB52.2 million for the previous corresponding period.

The change in profit before income tax was mainly due to:

- a) Gross profit decreased by RMB5.1 million as mentioned above;
- b) Finance costs decreased by RMB8.1 million due to the decrease in bank borrowings during the current period as compared to the previous corresponding period.
- c) Administrative expenses increased by RMB6.1 million mainly due to the increase in depreciation expenses and the loss on disposal of property, plant and equipment.

Income Tax

Income tax expenses decreased by RMB3.8 million mainly due to approval from the tax authority for the utilization of tax losses on investments incurred in prior years.

Current Assets

Current assets increased by RMB12.6 million from RMB373.2 million in FY2015 to RMB385.8 million in FY2016. This was mainly due to the following:

- a) Trade receivables decreased by RMB1.1 million which was mainly due to improved collections and increase in provisions for bad debts;
- b) Cash and bank balances increased by RMB6.4 million;
- c) Inventories decreased by RMB1.7 million due to the improvement in sales and production cycle;
- d) Asset held for sale decreased by RMB7.9 million
- e) Other receivables and prepayments increased by RMB17.0 million mainly due to the followings:

	Group 31 Dec 2016 RMB'000	Group 31 Dec 2015 RMB'000
(i) Other receivables	5,567	3,973
(ii) Advances to suppliers	32,409	18,559
(iii) Prepayments for construction in progress	1,336	-
(iv) Prepaid expenses	2,536	2,301
Total	41,848	24,833

- (i) This comprises mainly utilities deposits, rental deposits and deposits for customs duties.
- (ii) Advances to suppliers increased by RMB13.9 million mainly due to the increase in advances for purchases of property, plant and equipment.
- (iii) Prepayments for construction in progress increased by RMB1.3 million due to the construction projects undertaken in Gaoming and Jiangsu.
- (iv) The increase is due to increase in value-added taxes recoverable.

Non-Current Assets

Non-current assets increased by RMB42.5 million to RMB524.2 million from RMB481.7 million mainly due to the followings:

- Property, plant and equipment increased by RMB46.7 million mainly for the plants in Changzhou and Gaoming;
- Prepaid lease payments decreased by RMB4.3 million mainly due to the expropriation of land of RMB3.0 million under the subsidiary Jiangsu Southern Packaging Co., Ltd, and the amortization of land use rights of RMB1.3 million in current year.

Current Liabilities

Current liabilities increased by RMB25.8 million (9%) from RMB279.7 million to RMB305.5 million mainly due to the following:

- Trade payables decreased by RMB2.1 million;
- Short-term bank borrowings increased by RMB29 million;
- Current income tax payable decreased by RMB1.0 million mainly due to lower tax provision in the current year.

Non-Current Liabilities

Non-current liabilities decreased by RMB8.5 million from RMB84.0 million in FY2015 to RMB75.5 million in FY2016 mainly due to the following:

- Deferred government subsidy increased by RMB3.0 million mainly due to the subsidy received by the subsidiary Jiangsu Southern Packaging Co., Ltd during the financial year for the construction of electricity facilities;
- Long-term bank borrowings decreased by RMB11.1 million due to the repayment of the bank borrowings towards the end of the current financial year.

The Consolidated Statement of Cash Flows

In FY2016, the net cash inflow from operating activities of the Group amounted to RMB72.7 million as compared with RMB159.1 million in FY2015 mainly due to the following:

- a) Cash generated from trade receivables decreased by RMB24.7 million due to decrease in revenue;
- b) Cash used for prepayment to suppliers increased by RMB14.4 million mainly due to the increase in advances for purchases of property, plant and equipment;
- c) Cash used for income tax increased by RMB3.5 million;
- d) Cash generated from inventories decreased by RMB16.5 million.

The Group recorded a net cash outflow in financing activities amounting to RMB3.1 million in FY2016 as compared with RMB162.1 million in FY2015. It was mainly due to repayment of bank borrowing.

The net cash used in investing activities had increased by RMB45.4 million from RMB23.1 million in FY2015 to RMB68.5 million in FY 2016 mainly due to increase in purchase of property, plant and equipment, off-setted by the government grant received by the subsidiary for the construction of electricity facilities.

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.

Based on current economic indicators, we expect challenging business conditions ahead for our packaging products.

However, the Group will work towards meeting the challenges ahead 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.

Although the Group's overall profitability may be affected by, amongst other things, fluctuations in the cost of production raw materials and increases in 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 and environmental conservation in production activities.

11. Dividend

(a) Current Financial Period Reported On

The Directors are pleased to recommend a first and final dividend for the financial year ended 31 December 2016 as follows:

Name of Dividend	First and Final	Total
Dividend Type	Cash	Cash
Dividend Amount Per Ordinary Share (adjusted for share consolidation) (S\$)	1.2 cents	1.2 cents
Taxation	One-tier tax exempt	One-tier tax exempt

For comparison purposes with the table in item 11(b), the first and final dividend for the financial year ended 31 December 2015 (not adjusted for share consolidation) is 0.3 cents (S\$) per Ordinary Share.

(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 (adjusted for share consolidation) (S\$)	1.2 cents	1.2 cents
Taxation	One-tier tax exempt	One-tier tax exempt

(c) Date Payable

To be announced at a later date.

(d) Books Closure Date

To be announced at a later date.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Interested Person Transactions for the Financial Year Ended 31 December 2016.

The aggregate value of interested person transactions conducted under shareholders' mandate approved at general meeting(s) as required under Rule 920(1)(a)(ii) of the Listing Manual.

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>) FY2016	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u> (excluding transactions less than S\$100,000) FY2016
Guangdong Xing Hua Health Drink Co. Ltd ⁽¹⁾	RMB898,356 (S\$187,177)	-
Mai Shu Ying, Pan Shun Ming ⁽²⁾	RMB646,128 (S\$134,624)	-
Foshan Unibott Technology Limited ⁽³⁾	RMB1,040,367 (S\$216,766)	-
Energetic Holding Limited ⁽⁴⁾	RMB7,881,700 (S\$1,642,192)	-
Foshan Jia Bang Real Estate Co., Ltd ⁽⁵⁾	RMB19,997,226 (S\$4,166,523)	-

(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.

(4) Transfer the shares of Foshan Energetic Films Co., Ltd from Foshan Southern Packaging Co., Ltd.

(5) Acquisition of four office units 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.

RMB'000	Rigid packaging		Flexible packaging		Consolidated	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
REVENUE						
External sales	369,762	360,863	280,738	330,211	650,500	691,074
RESULTS						
Segment gross profit	98,271	87,186	76,027	92,236	174,298	179,422
Allocated expenses	(64,696)	(59,351)	(44,969)	(45,676)	(109,665)	(105,027)
Allocated income	3,702	2,748	2,947	2,611	6,649	5,359
Segment result	37,277	30,583	34,005	49,171	71,282	79,754
Unallocated expenses					(12,125)	(10,246)
Unallocated income					482	2,043
Interest income					664	1,103
Interest expense					(12,333)	(20,457)
Profit before income tax					47,970	52,197
Income tax expense					(7,043)	(10,807)
Profit for the financial year attributable to owners of the Parent					40,927	41,390
ASSETS						
Segment assets	527,594	471,254	204,534	200,187	732,128	671,441
Asset held for sale					-	7,882
Unallocated corporate assets					177,928	175,534
Consolidated total assets					910,056	854,857

RMB'000	Rigid packaging		Flexible packaging		Consolidated	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Segment liabilities	69,659	67,004	57,212	62,715	126,871	129,719
Unallocated corporate liabilities					254,073	234,003
Consolidated total liabilities					<u>380,944</u>	<u>363,722</u>

Other Segment Information

RMB'000	Additions to non-current assets		Depreciation and amortisation	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Rigid packaging	63,720	18,660	28,312	24,930
Flexible packaging	37,963	12,240	18,318	19,568
Unallocated segments	-	507	1,362	1,521
	<u>101,683</u>	<u>31,407</u>	<u>47,992</u>	<u>46,019</u>

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 located in PRC and Asia (excluding PRC). Manufacturing of products is carried out in PRC.

The Group's revenue from external customers and information about its segment assets (excluding investment property) by geographical location are presented below:

RMB'000	Revenue		Non-current assets	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
PRC	599,791	650,548	522,054	480,280
Hong Kong	9,856	7,811	-	-
America	13,303	14,002	-	-
Netherlands	5,219	1,980	-	-
Others	22,331	16,733	-	-
Total	<u>650,500</u>	<u>691,074</u>	<u>522,054</u>	<u>480,280</u>

Information about major customers

Included in revenues arising from rigid packaging and flexible packaging are revenues of RMB 130,178,524 (2015: RMB 80,267,187) and RMB 12,995,129 (2015: RMB 31,270,387) 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 Hongkong and Netherlands have improved in FY2016, but the sales revenue contribution from PRC and America weakened in FY2016 compared to FY2015 as a result of the decline of sales volume.

17. A breakdown of sales as follows:

	<u>Group</u>		<u>+ / (-)</u> <u>%</u>
	<u>2016</u> <u>RMB'000</u>	<u>2015</u> <u>RMB'000</u>	
Sales reported for first half year	294,951	333,055	(11)
Operating profit after tax reported for first half year	14,635	10,569	38
Sales reported for second half year	355,549	358,019	(1)
Operating profit/(loss) after tax reported for second half year	26,292	30,821	(15)

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

	<u>2016</u> SGD'000	<u>2015</u> SGD'000
Ordinary		
Interim	-	-
Final	844	844
Total	844	844

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
Ang Wei Jun	30	Son in law of Mr Pan Shun Ming ("Mr Pan"), the Executive Chairman and CEO and substantial shareholder of the Company; and Madam Mai Shuying ("Madam Mai"), the Executive Director and substantial shareholder of the Company.	Deputy Chief Investment Officer since September 2013 - responsible for support in investment and financing work	No change
Pan Zhaojin	35	Son of Mr Pan and Madam Mai	Deputy Chief Operating Officer since 27 February 2017 - assist Chief Operating Officer overseeing the daily business operations of the Group (sales, marketing, business development and etc)	Resigned as Executive Director on 27 February 2017

BY ORDER OF THE BOARD

Mr. Pan Shun Ming
 Executive Chairman and Chief Executive Officer
 February 28, 2017