

Southern Packaging Group Limited

Unaudited Full Year Financial Statement for the Year Ended 31 December 2017

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 2017 RMB'000	Group 2016 RMB'000	Change
Revenue	723,015	650,500	11%
Cost of sales	(560,356)	(476,202)	18%
Gross profit	162,659	174,298	(7%)
Gross profit margin	22%	27%	
Other operating income	8,504	7,795	9%
Distribution expenses	(41,337)	(36,286)	14%
Administrative expenses	(87,818)	(85,504)	3%
Finance costs	(13,690)	(12,333)	11%
Profit before income tax	28,318	47,970	(41%)
Income tax expense	(2,641)	(7,043)	(63%)
Profit for the year	25,677	40,927	(37%)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(1,056)	1,109	(195%)
Total comprehensive income attributable to:			
Owners of the Parent	24,621	42,036	(41%)

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

	Group	Group
	RMB'000	RMB'000
	2017	2016
Sales of raw materials and moulds	(4,203)	(2,243)
Interest income	(533)	(664)
Rental income	(312)	(461)
Foreign currency exchange gains, net	(197)	(964)
Government grants	(1,523)	(2,704)
Depreciation of property, plant and equipment	50,433	46,631
Amortisation of prepaid lease payments	1,438	1,489
(Reversal of)/Allowance for impairment of trade receivables	(1,714)	1,299
Employee benefits expense(including directors' remuneration)	106,663	91,717
Research and development costs (included in administrative expenses)	30,387	26,840
Utilities	41,086	37,696
Loss on disposal of property, plant and equipment	90	1,601
(Reversal of)/Write-down of allowance for inventories	(745)	20
Finance costs	13,690	12,333

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
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Current assets:</u>				
Cash and cash equivalents	129,380	114,593	535	1,305
Trade receivables	169,151	155,523	-	-
Other receivables and prepayments	27,947	41,848	1,305	693
Inventories	75,170	72,437	-	-
Total current assets	401,648	384,401	1,840	1,998
<u>Non-current assets:</u>				
Investment in subsidiaries	-	-	465,933	449,313
Property, plant and equipment	536,652	462,535	-	-
Investment property	452	470	-	-
Prepaid lease payments	59,049	60,487	-	-
Deferred tax assets	1,450	2,163	-	-
Total non-current assets	597,603	525,655	465,933	449,313
Total assets	999,251	910,056	467,773	451,311

	Group	Group	Company	Company
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Current liabilities:</u>				
Trade payables	119,665	103,953	-	-
Other payables	32,595	28,065	14,041	7,630
Bank borrowings	177,990	167,035	-	-
Current income tax payable	138	5,844	-	-
Deferred government subsidy	916	561	-	-
Total current liabilities	331,304	305,458	14,041	7,630
<u>Non-current liabilities:</u>				
Deferred government subsidy	13,155	14,277	-	-
Bank borrowings	104,227	58,896	-	-
Deferred tax liabilities	1,000	2,313	-	-
Total non-current liabilities	118,382	75,486	-	-
<u>Equity:</u>				
Share capital	230,593	230,593	230,593	230,593
Capital contribution	12,639	12,639	-	-
Statutory reserves	56,292	55,313	-	-
Foreign currency translation account	(3,112)	(2,056)	-	-
Retained earnings	253,153	232,623	223,139	213,088
Total equity	549,565	529,112	453,732	443,681
Total liabilities and equity	999,251	910,056	467,773	451,311

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

Amount repayable in one year or less, or on demand

As at 31/12/2017		As at 31/12/2016	
RMB'000		RMB'000	
Secured	Unsecured	Secured	Unsecured
177,990	-	167,035	-

Amount repayable after one year

As at 31/12/2017		As at 31/12/2016	
RMB'000		RMB'000	
Secured	Unsecured	Secured	Unsecured
104,227	-	58,896	-

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 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 2017 RMB'000	Group 2016 RMB'000
<u>Cash flows from operating activities</u>		
Profit before income tax	28,318	47,970
Adjustments for:		
Depreciation of property, plant and equipment	50,433	46,631
Depreciation of investment property	17	17
Amortisation of deferred government subsidy	(768)	(561)
Amortisation of prepaid lease payments	1,438	1,489
Interest income	(533)	(664)
Interest expense	13,690	12,333
Unrealised foreign currency exchange loss	1,451	370
(Reversal of)/Write-down of inventories	(745)	20
(Reversal of)/Allowance made for doubtful trade receivables	(1,714)	1,299
Loss on disposal of property, plant and equipment	90	1,601
Gain from expropriated land	-	(743)
Operating cash flows before working capital changes	91,677	109,762
Working capital changes:		
Trade receivables	(14,630)	2,880
Other receivables and prepayments	13,883	(16,861)
Inventories	(1,987)	1,665
Trade payables	1,889	(14,997)
Other payables	4,690	(438)
Cash generated from operations	95,522	82,011
Income tax paid	(9,942)	(9,203)
Net cash from operating activities	85,580	72,808
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(113,779)	(89,486)
Proceeds from disposal of property, plant and equipment	4,787	5,780
Compensation for expropriated land	-	3,623
Government subsidies received on purchase of property, plant and equipment	-	3,544
Proceeds from disposal of asset held for sale	-	7,882
Net cash used in investing activities	(108,992)	(68,657)

	Group 2017 RMB'000	Group 2016 RMB'000
<u>Cash flows from financing activities</u>		
Interest paid	(13,690)	(12,333)
Interest received	533	664
Proceeds from bank borrowings	309,206	177,181
Repayment of bank borrowings	(252,919)	(159,923)
Increase in pledged fixed deposits	(4,096)	(4,594)
Dividends paid	(4,168)	(4,059)
Net cash used in financing activities	34,866	(3,064)
Increase in cash and cash equivalents	11,454	1,087
Cash and cash equivalents at the beginning of the financial year	106,690	104,905
Effect of foreign exchange rate changes on cash and cash equivalents in foreign currencies	(763)	698
Cash and cash equivalents at the end of the financial year (Note A)	117,381	106,690

Note A: Cash and Cash Equivalents

	2017 RMB'000	2016 RMB'000
Cash and cash equivalents	129,380	114,593
Less: Fixed deposits pledged	(11,999)	(7,903)
Cash and cash equivalents at the end of the financial year	117,381	106,690

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 1.1.2016	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
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

	Share capital RMB'000	Retained earnings RMB'000	Total equity RMB'000
The Company			
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	230,593	213,088	443,681
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	230,593	223,139	453,732

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 2017	31 December 2016
Total number of issued shares	70,319,164	70,319,164

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 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

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 2017. 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 2017	Group 2016
Earnings per ordinary share for the year based on		
net profit attributable to shareholders (RMB):	0.37	0.58

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 issued share capital of the issuer at the end of the(a) current financial period reported on; and (b) immediately preceding financial year.

	Group	Group	Company	Company
	2017	2016	2017	2016
Net asset value (NAV) per ordinary share (RMB)	7.82	7.52	6.45	6.31

The NAV per share as at 31 December 2017 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 RMB72.5 million (11%) from RMB650.5 million in FY2016 to RMB723.0 million in FY2017.

Sales of rigid packaging increased by RMB58.1 million (16%) from RMB369.8 million in FY2016 to RMB427.9 million in FY2017. The sales of flexible packaging increased by RMB14.4 million (5%) from RMB280.7 million in FY2016 to RMB295.1 million in FY2017. This was mainly due to new product orders from customers.

Gross Profit

The Group's gross profit decreased by RMB11.6 million (7%) to RMB162.7 million in FY2017 as compared to RMB174.3 million in FY2016. The gross profit margin decreased by 5 percentage points to 22% in FY2017 compared to 27% in FY2016.

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

Other operating income

Other operating income increased by RMB0.7 million from RMB7.8 million in FY2016 to RMB8.5 million in FY2017. This change was mainly due to:

- Increase in sales of raw materials, samples and moulds by RMB2 million;
- Decrease in government grants by RMB1.2 million.

Profit before Income Tax

The Group's net profit before income tax decreased by RMB19.7 million (41%) to RMB28.3 million in FY2017 compared to RMB48 million for the previous corresponding period.

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

- a) Gross profit decreased by RMB11.6 million as mentioned above;
- b) Other operating income increased by RMB0.7 million as mentioned above;
- c) Distribution expenses increased by RMB5.1 million mainly due to the increase in freight charges;
- d) Administrative expenses increased by RMB2.3 million mainly due to the increase in salaries and R&D expenses, and offset by the reversal of impairment of trade receivable;
- e) Finance costs increased by RMB1.4 million due to the increase in bank borrowings during the current period as compared to the previous corresponding period.

Income Tax

Income tax expenses decreased by RMB4.4 million mainly due to the utilization of tax losses on investments incurred in prior years and the preferential tax rate of high-tech enterprise for Jiangsu in current year.

Current Assets

Current assets increased by RMB17.2 million from RMB384.4 million in FY2016 to RMB401.6 million in FY2017. This was mainly due to the following:

- a) Cash and bank balances increased by RMB14.8 million;
- b) Trade receivables increased by RMB13.6 million;
- c) Inventories increased by RMB2.7 million;
- d) Other receivables and prepayments decreased by RMB13.9 million mainly due to the followings:

	Group 31 Dec 2017 RMB'000	Group 31 Dec 2016 RMB'000
(i) Other receivables	4,488	5,463
(ii) Advances to suppliers	22,065	32,513
(iii) Prepayments for construction in progress	641	1,336
(iv) Prepaid expenses	753	2,536
Total	27,947	41,848

- (i) This comprises mainly utilities deposits, rental deposits and deposits for customs duties.
- (ii) Advances to suppliers decreased by RMB10.4 million mainly due to the decrease in purchase of raw materials.
- (iii) Prepayments for construction in progress decreased by RMB0.7 million mainly due to the decrease of prepayment for construction project undertaken in Gaoming and Jiangsu.
- (iv) The decrease is due to decrease in value-added taxes recoverable by RMB1.8 million.

Non-Current Assets

Non-current assets increased by RMB71.9 million (14%) to RMB597.6 million from RMB525.7 million mainly due to the increase of property, plant and equipment by RMB74.1 million.

Current Liabilities

Current liabilities increased by RMB25.8 million (8%) from RMB305.5 million to RMB331.3 million mainly due to the following:

- Trade payables increased by RMB15.7 million;
- Other payables increased by RMB4.5 million mainly due to the increase of advance from customers;
- Short-term bank borrowings increased by RMB11 million;
- Current income tax payable decreased by RMB5.7 million mainly due to lower tax provision in the current year.

Non-Current Liabilities

Non-current liabilities increased by RMB42.9 million from RMB75.5 million in FY2016 to RMB118.4 million in FY2017 mainly due to the following:

- Deferred government subsidy decreased by RMB1.1 million mainly due to the amortizations of subsidy received by the subsidiary;
- Long-term bank borrowings increased by RMB45.3 million mainly due to capital expense increase in Jiangsu in current financial year.

The Consolidated Statement of Cash Flows

In FY2017, the net cash inflow from operating activities of the Group amounted to RMB85.6 million as compared with RMB72.8 million in FY2016 mainly due to the following:

- Cash generated from trade receivables decreased by RMB17.5 million;
- Cash generated from other receivables and prepayments increased by RMB30.7 million mainly due to the increase in advances for purchases of property, plant and equipment;
- Cash generated from trade payables increased by RMB16.9 million;
- Cash generated from other payables increased by RMB5.1 million;
- Cash generated from inventories decreased by RMB3.7 million.

The Group recorded a net cash inflow in financing activities amounting to RMB34.9 million in FY2017 as compared with a net cash outflow amounting to RMB3.1 million in FY2016. It was mainly due to increase in bank borrowing.

The net cash used in investing activities had increased by RMB40.5 million from RMB68.5 million in FY2016 to RMB109 million in FY 2017 mainly due to increase in purchase of property, plant and equipment.

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.

Although the Group's revenue has increased by 11%, the overall profitability has been affected by increase 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.

In addition, the Group will work towards meeting the new 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.

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 2017 as follows:

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

(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. If the group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), 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 pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The IPTs entered into by the Company or the Group during the financial year ended 31 December 2017 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>) FY2017	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u> (excluding transactions less than S\$100,000) FY2017
Guangdong Xing Hua Health Drink Co. Ltd ⁽¹⁾	RMB1,293,036 (S\$263,718)	-
Mai Shu Ying ,Pan Shun Ming ⁽²⁾	RMB664,820 (S\$135,592)	-
Foshan Unibott Technology Limited ⁽³⁾	RMB5,992,860 (S\$1,222,259)	-

(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.

RMB'000	Rigid packaging		Flexible packaging		Consolidated	
	2017	2016	2017	2016	2017	2016
REVENUE						
External sales	427,878	369,762	295,137	280,738	723,015	650,500
RESULTS						
Segment gross profit	104,581	98,271	58,078	76,027	162,659	174,298
Allocated expenses	(71,956)	(64,696)	(46,262)	(44,969)	(118,218)	(109,665)
Allocated income	3,946	3,702	3,172	2,947	7,118	6,649
Segment result	36,571	37,277	14,988	34,005	51,559	71,282
Unallocated expenses					(10,936)	(12,125)
Unallocated income					852	482
Interest income					533	664
Interest expense					(13,690)	(12,333)
Profit before income tax					28,318	47,970
Income tax expense					(2,641)	(7,043)
Profit for the financial year attributable to owners of the Parent					25,677	40,927
ASSETS						
Segment assets	539,765	527,594	266,121	204,534	805,886	732,128
Asset held for sale					-	-
Unallocated corporate assets					193,365	177,928
Consolidated total assets					999,251	910,056

RMB'000	Rigid packaging		Flexible packaging		Consolidated	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Segment liabilities	84,307	69,659	62,976	57,212	147,283	126,871
Unallocated corporate liabilities					302,403	254,073
Consolidated total liabilities					<u>449,686</u>	<u>380,944</u>

Other Segment Information

RMB'000	Additions to non-current assets		Depreciation and amortisation	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Rigid packaging	115,057	62,906	32,062	28,312
Flexible packaging	14,737	37,963	18,371	18,318
Unallocated segments	-	-	1,455	1,506
	<u>129,794</u>	<u>100,869</u>	<u>51,888</u>	<u>48,136</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 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 (excluding investment property) by geographical location are presented below:

RMB'000	Revenue		Non-current assets	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
PRC(excluded Hong Kong)	667,419	599,791	595,701	523,022
Hong Kong, China	19,737	9,856	-	-
America	6,376	13,303	-	-
Netherlands	4,935	5,219	-	-
Australia	6,628	-	-	-
Others	17,920	22,331	-	-
Total	<u>723,015</u>	<u>650,500</u>	<u>595,701</u>	<u>523,022</u>

Information about major customers

Included in revenues arising from rigid packaging and flexible packaging are revenues of RMB 130,004,499 (2016: RMB 130,178,524) and RMB 12,823,692 (2016: RMB 12,995,129) 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 Mainland China and Hong Kong have improved in FY2017, but the sales revenue contribution from America weakened in FY2017 compared to FY2016 as a result of the decline of sales volume.

17. A breakdown of sales as follows:

	<u>Group</u>		<u>+/(-)</u> <u>%</u>
	<u>2017</u> <u>RMB'000</u>	<u>2016</u> <u>RMB'000</u>	
Sales reported for first half year	349,701	294,951	19
Operating profit after tax reported for first half year	13,276	14,635	(9)
Sales reported for second half year	373,314	355,549	5
Operating profit/(loss) after tax reported for second half year	12,401	26,292	(53)

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

	<u>2017</u> SGD'000	<u>2016</u> SGD'000
Ordinary		
Interim	-	-
Final	253	844
Total	253	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	31	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
March 1, 2018