

Southern Packaging Group Limited

Unaudited Full Year Financial Statements for the Year Ended 31 December 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 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
	2019	2018	
	RMB'000	RMB'000	
Revenue	709,066	724,154	(2.1%)
Cost of sales	(561,406)	(586,928)	(4.3%)
Gross profit	147,660	137,226	7.6%
Gross profit margin	21%	19%	
Other operating income	6,598	8,650	(23.7%)
Distribution expenses	(41,753)	(42,830)	(2.5%)
Administrative expenses	(85,720)	(87,231)	(1.7%)
Finance costs	(17,930)	(18,236)	(1.7%)
Profit/(Loss) before income tax	8,855	(2,421)	N.M.
Income tax credits	370	196	88.8%
Profit/(Loss) for the year	9,225	(2,225)	N.M.
Other comprehensive income: Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	525	837	(37.3%)
Total comprehensive income attributable to: Owners of the Parent	9,750	(1,388)	N.M

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

	Group	Group
	RMB'000	RMB'000
	2019	2018
Sales of raw materials	(813)	(1,807)
Interest income	(603)	(453)
Rental income	(83)	(324)
Foreign currency exchange loss	2,694	1,259
Government grants	(2,227)	(4,099)
Depreciation of property, plant and equipment	62,188	58,874
Amortisation of prepaid lease payments	1,037	1,288
Amortisation of right of use assets	2,569	-
Employee benefits expense(including directors' remuneration)	99,650	103,771
Research and development costs (included in administrative expenses)	30,621	30,485

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
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Current assets:</u>				
Cash and cash equivalents	128,811	78,727	1,022	1,437
Trade receivables	163,354	164,093	-	-
Other receivables and prepayments	39,979	28,889	1,306	1,305
Inventories	70,715	82,164	-	-
Property under development	170,696	65,126	-	-
Total current assets	<u>573,555</u>	<u>418,999</u>	<u>2,328</u>	<u>2,742</u>
<u>Non-current assets:</u>				
Investment in subsidiaries	-	-	465,933	465,933
Property, plant and equipment	498,088	523,703	-	-
Investment property	418	435	-	-
Prepaid lease payments	40,791	41,828	-	-
Right of use assets	2,682	-	-	-
Deferred tax assets	4,191	2,546	-	-
Total non-current assets	<u>546,170</u>	<u>568,512</u>	<u>465,933</u>	<u>465,933</u>
Total assets	<u><u>1,119,725</u></u>	<u><u>987,511</u></u>	<u><u>468,261</u></u>	<u><u>468,675</u></u>

	Group	Group	Company	Company
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Current liabilities:</u>				
Trade payables	123,861	109,633	-	-
Other payables	37,969	31,900	34,359	25,444
Borrowings	240,494	254,929	-	-
Current income tax payable	5,697	5,163	-	-
Deferred government subsidies	1,139	915	-	-
Lease liabilities	2,671	-	-	-
Total current liabilities	411,831	402,540	34,359	25,444
<u>Non-current liabilities:</u>				
Deferred government subsidies	12,851	12,239	-	-
Borrowings	137,258	24,767	-	-
Deferred tax liabilities	1,000	1,000	-	-
Lease liabilities	70	-	-	-
Total non-current liabilities	151,179	38,006	-	-
<u>Equity:</u>				
Share capital	230,593	230,593	230,593	230,593
Capital contribution	12,639	12,639	-	-
Statutory reserves	57,675	56,937	-	-
Foreign currency translation account	(1,750)	(2,275)	-	-
Retained earnings	257,558	249,071	203,309	212,638
Total equity	556,715	546,965	433,902	443,231
Total liabilities and equity	1,119,725	987,511	468,261	468,675

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

Amount repayable in one year or less, or on demand

As at 31/12/2019		As at 31/12/2018	
RMB'000		RMB'000	
Secured	Unsecured	Secured	Unsecured
240,494	-	254,929	-

Amount repayable after one year

As at 31/12/2019		As at 31/12/2018	
RMB'000		RMB'000	
Secured	Unsecured	Secured	Unsecured
107,258	30,000	24,767	-

Details of any collateral

The loans are secured as follow:

- (a) Secured by property, plant and equipment, 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 2019 RMB'000	Group 2018 RMB'000
<u>Cash flows from operating activities</u>		
Profit/(Loss) before income tax	8,855	(2,421)
Adjustments for:		
Depreciation of property, plant and equipment	62,188	58,874
Depreciation of investment property	17	17
Amortisation of deferred government subsidies	(1,064)	(915)
Amortisation of prepaid lease payments	1,037	1,288
Amortisation of right of use assets	2,569	-
Interest income	(603)	(453)
Interest expense	17,930	18,236
Unrealised foreign currency exchange loss/(gain)	361	(422)
Allowance made for/(Reversal of) inventories obsolescence	21	(200)
Reversal of loss allowance for trade receivables	(51)	(534)
Loss on disposal of property, plant and equipment	26	465
Loss on property, plant and equipment written off	-	678
Operating cash flows before working capital changes	91,286	74,613
Working capital changes:		
Trade receivables	1,869	7,393
Other receivables and prepayments	(10,333)	4,587
Inventories	11,430	(6,771)
Property under development	(96,945)	(48,057)
Trade payables	178	(37,827)
Other payables	5,986	(801)
Cash generated/(used in) from operations	3,471	(6,863)
Income tax paid	(754)	(435)
Net cash generated from/(used in) operating activities	2,717	(7,298)
<u>Cash flows from investing activities</u>		
Purchase of property, plant and equipment	(34,962)	(23,488)
Proceeds from disposal of property, plant and equipment	2,701	422
Government subsidy received on purchase of property, plant and equipment	1,900	-
Interest received	603	453
Net cash used in investing activities	(29,758)	(22,613)

	Group 2019 RMB'000	Group 2018 RMB'000
<u>Cash flows from financing activities</u>		
Interest paid	(17,749)	(18,236)
Proceeds from borrowings	426,845	246,981
Repayment of borrowings	(329,409)	(248,801)
Lease payment	(2,691)	-
Decrease in pledged fixed deposits	9,257	790
Dividends paid	-	(1,212)
Net cash generated/(used in) from financing activities	86,253	(20,478)
Increase/(Decrease) in cash and cash equivalents	59,212	(50,389)
Cash and cash equivalents at the beginning of the financial year	66,476	116,338
Effect of foreign exchange rate changes on cash and cash equivalents in foreign currencies	129	527
Cash and cash equivalents at the end of the financial year (Note A)	125,817	66,476

Note A: Cash and Cash Equivalents

	2019 RMB'000	2018 RMB'000
Cash and cash equivalents	128,811	78,727
Less: Fixed deposits pledged	(2,994)	(12,251)
Cash and cash equivalents at the end of the financial year	125,817	66,476

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 1.1.2018	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
Balance as at 1.1.2019	230,593	56,937	12,639	249,071	(2,275)	546,965
Profit for the financial year	-	-	-	9,225	-	9,225
Other comprehensive income for the financial year						
- Exchange differences on translation of foreign operations	-	-	-	-	525	525
Total comprehensive income for the financial year	-	-	-	9,225	525	9,750
Transfer to statutory reserve	-	738	-	(738)	-	-
Balance as at 31.12.2019	230,593	57,675	12,639	257,558	(1,750)	556,715

Company	Share capital	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000
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>
Balance as at 1.1.2019	230,593	212,638	443,231
Total comprehensive income for the financial year	-	(9,329)	(9,329)
Balance as at 31.12.2019	<u>230,593</u>	<u>203,309</u>	<u>433,902</u>

1(d)(ii) 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 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 2019	31 December 2018
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 Singapore Financial Reporting Standards (International) ("SFRS(I)") 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 2018.

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.

Effective from 1 January 2019, the Group has adopted the SFRS(I) 16 Leases, using the modified retrospective method in accordance with the transitional provisions and accordingly, the information presented for 2018 has not been restated.

The Group has measured the right-of-use assets on lease-by-lease basis and corresponding lease liabilities at the date of which the lease assets are available for use by the Group. Assets and liabilities arising from the leases are initially measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as at 1 January 2019.

The following table presents the impact of changes to the consolidated statement of financial position of the Group resulting from the adoption of SFRS(I) 16:

	31 December 2019 RMB'000
Non-current asset Right of use assets	2,682
Current liabilities Lease liabilities	2,671
Non-current liabilities Lease liabilities	70

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 2019	Group 2018
Earnings per ordinary share for the year based on		
Net profit/(loss) attributable to shareholders (RMB):	0.13	(0.03)

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 2019	Group 2018	Company 2019	Company 2018
Net asset value (NAV) per ordinary share (RMB)	7.92	7.78	6.17	6.30

The NAV per share as at 31 December 2019 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 decreased by RMB15.1 million (2.1%) from RMB724.2 million in FY2018 to RMB709.1 million in FY2019.

The Sales revenue of rigid packaging decreased by RMB7.5million (1.6%) from RMB471.9 million in FY2018 to RMB464.4 million in FY2019 and the sales revenue of flexible packaging decreased by RMB7.5 million (3%) from RMB252.2 million in FY2018 to RMB244.7 million in FY2019. This was because the Group has adjusted the product structure, prioritized on the high value added product orders and chose to give up some low profit product orders.

Gross Profit

The Group's gross profit increased by RMB10.4 million (7.6%) to RMB147.7 million in FY2019 as compared to RMB137.2 million in FY2018. The gross profit margin increased to 21% in FY2019 compared to 19% in FY2018.

The increase of gross profit is mainly due to the increase in gross profit margin contributed by the following factors:

1. Adjustments to the existing product structure which prioritised high value-added products contributing to higher gross profit margin;
2. Use of automated manufacturing equipment in factories which effectively reduce production costs;
3. Implementation of strict cost control measures in factories.

Other operating income

Other operating income decreased by RMB2.1 million (23.7%) from RMB8.7 million in FY2018 to RMB6.6 million in FY2019. This is mainly due to decrease in government grants of RMB2 million.

Profit/(Loss) before Income Tax

The profit before income tax is RMB8.9 million in FY2019 as compared to loss before tax of RMB2.4 million for the previous corresponding period.

This was mainly due to:

- a) Gross profit increased by RMB10.4 million as mentioned above;
- b) Other operating income decreased by RMB2 million as mention above;
- c) Distribution expenses decreased by RMB1.1 million mainly due to the decrease in freight charges;
- d) Administrative expenses decreased in RMB1.5 million mainly due to the strict controls of the operating cost by the management; and
- e) Finance costs decreased by RMB0.3 million.

Income Tax

Income tax credits increased by RMB0.2 million is mainly due to the tax incentives granted by local tax authority.

Current Assets

Current assets increased by RMB154.6 million from RMB419 million in FY2018 to RMB573.6 million in FY2019. This was mainly due to the following:

- a) Cash and bank equivalents increased by RMB50.1million;
- b) Trade receivables decreased by RMB0.7 million;
- c) Inventories decreased by RMB11.4million;
- d) Property under development increased by RMB105.6 million;
- e) Other receivables and prepayment increased by RMB11.1 million mainly due to the following:

	Group 31 Dec 2019 RMB'000	Group 31 Dec 2018 RMB'000
(i) Other receivables	22,961	12,532
(ii) Advances to suppliers	17,018	16,357
Total	<u>39,979</u>	<u>28,889</u>

- (i) Other receivables comprise mainly utilities deposits, rental deposits, value-added taxes recoverable and deposits for customs duties. It increased by RMB10.4 million mainly due to the increase in value-added taxes recoverable related to Project Gang Jin.
- (ii) Advances to suppliers increased by RMB0.7 million.

Non-Current Assets

Non-current assets decreased by RMB22.3 million (3.9%) to RMB546.2 million from RMB568.5 million mainly due to the following:

- 1) The property, plant and equipment decreased by RMB25.6 million due to the decrease in purchase of PPE during the year and increase in depreciation for the year.
- 2) The deferred tax assets increased by RMB1.6 million due to the increase in tax subsidies relating to R&D expense.

Current Liabilities

Current liabilities increased by RMB9.2 million from RMB402.5 million to RMB411.8 million mainly due to the following:

- Trade payables increased by RMB14.2 million mainly due to the increase in the trade payables relating to Project Gang Jin;
- Other payables increased by RMB6.1 million mainly due to the increase in advances from the customers and accrued expenses;
- Short-term bank borrowings decreased by RMB14.4 million; and
- Lease liabilities increased by RMB2.7 million due to adoption of SFRS(I) 16 Leases during the financial year.

Non-Current Liabilities

Long-term liabilities increased by RMB113.2 million (297.8%) from RMB38 million to RMB151.2 million mainly due to the construction loan of RMB120 million obtained for the development of Project Gang Jin.

The Consolidated Statement of Cash Flows

In FY2019, the Group recorded cash outflows generated from operating activities of the Group amounted to RMB2.7 million as compared with net cash flows used of RMB7.3 million in FY2018 mainly due to

- a) operating cash flows (before working capital changes) amounted RMB91.3 million;
- b) Cash outflows from property under development amounted RMB97 million;
- c) Cash generated from Inventories amounted RMB11.4 million;
- d) Cash outflows from trade and other receivable amounted RMB8.5million; and
- e) Cash inflows from trade and other payables amounted RMB6.2 million.

The net cash used in investing activities had increased by RMB7.1 million from RMB22.6 million in FY2018 to RMB29.8 million in FY 2019 mainly due to increase in purchase of property, plant and equipment.

The Group recorded a net cash inflow in financing activities amounting to RMB86.3 million in FY2019 as compared with a net cash outflow amounting to RMB20.5 million in FY2018. It was mainly due to increase in borrowings obtained during the year.

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.

With the outbreak of the COVID-19 and the resulting temporary closure of retail shops and consumer places and the decrease in outdoor activities, the domestic market demands are expected to decline in the short term.

Furthermore, for the purpose of epidemic prevention and control, the government has extended the CNY holiday. Since then, however, the Group has received approvals from the respective local authorities to resume business operations of its factories located in Guangdong and Jiangsu. The factories located in Nanhai and Gaoming, Guangdong, People's Republic of China ("PRC") have resumed production on 2 February 2020 and 5 February 2020 respectively, and the factory located in Jiangsu, PRC has resumed production on 10 February 2020.

However, as a large portion of our workers come from neighbouring provinces of the factories, they are not able to return to the factories at the moment due to the stringent health regulation and the government control over the movement of people. As a result, the production capacity after resuming production is limited and the supply capacity will be affected in the short term.

In addition, all local companies are required to implement strict epidemic prevention measures and purchase of epidemic prevention materials during the epidemic period. Hence, the company's operating expenses are expected to rise. As the Group is one of the national key epidemic prevention enterprises, we are able to enjoy the government's preferential loan subsidy scheme to reduce the operating costs burden.

As the current epidemic is not completely over, the continuous impact of epidemic on the Group requires further observation.

In the meantime, despite the COVID-19 situation, the construction of the Group's new development project at Sanshan has progressed apace and part of the development will enter the sales phase during the second half of the year.

11. Dividend

(a) Current Financial Period Reported On

The Directors are pleased to recommend first and final dividend for the financial year ended 31 December 2019 as follows:

Name of Dividend	First and Final	Total
Dividend Type	Cash	Cash
Dividend Amount Per Ordinary Share (S\$)	0.0025	- 0.0025
Taxation	One-tier tax exempt	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend was declared/recommended for the financial year ended 31 December 2018.

(c) Date Payable

The proposed first and final dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting and the date of payment will be announced at a later date.

(d) Record Date

To be announced at a later date.

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

Not applicable.

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 2019 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 <u>Rule 920</u>) FY2019	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u> (excluding transactions less than S\$100,000) FY2019
Guangdong Xing Hua Health Drink Co. Ltd ⁽¹⁾	RMB1,832,940 (S\$363,400)	-
Mai Shu Ying and Pan Shun Ming ⁽²⁾	RMB781,815 (S\$155,003)	-
Foshan Unibott Technology Limited ⁽³⁾	RMB2,652,619 (S\$525,911)	-

(1) Rental payment to Guangdong Xing Hua Health Drink Co. Ltd, an associate 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., 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) Supply of products by Foshan Southern Packaging Co., Ltd. to Foshan Unibott Technology Limited, an associate of Pan Zhaojin, a substantial shareholder of the Company.

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		Property Development		Consolidated	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
REVENUE								
External sales	464,413	471,916	244,653	252,238	-	-	709,066	724,154
RESULTS								
Segment gross profit	100,273	90,647	47,387	46,579	-	-	147,660	137,226
Allocated expenses	(83,141)	(78,161)	(39,772)	(41,312)	-	-	(122,913)	(119,473)
Allocated income	1,985	2,375	793	638	-	-	2,778	3,013
Segment result	19,117	14,861	8,408	5,905	-	-	27,525	20,766
Unallocated expenses							(4,560)	(10,588)
Unallocated income							3,217	5,184
Interest income							603	453
Interest expense							(17,930)	(18,236)
Profit/(Loss) before income tax							8,855	(2,421)
Income tax credits							370	196
Profit/(Loss) for the financial year attributable to owners of the Parent							9,225	(2,225)
ASSETS								
Segment assets	531,856	553,082	229,309	238,918	170,696	65,126	931,861	857,126
Unallocated corporate assets							187,864	130,385
Consolidated total assets							1,119,725	987,511

	Rigid packaging		Flexible packaging		Property Development		Consolidated	
RMB'000	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Segment liabilities	96,034	85,841	54,753	51,057	128,625	-	279,412	136,898
Unallocated corporate liabilities							283,598	303,648
Consolidated total liabilities							563,010	440,546

Other Segment Information

	Additions to non-current assets		Depreciation and amortisation	
RMB'000	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Rigid packaging	35,615	30,875	45,115	40,218
Flexible packaging	3,684	17,751	19,642	18,656
Unallocated segments	-	-	1,054	1,305
	39,299	48,626	65,811	60,179

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. Manufacturing of products is carried out in Foshan and Jiangsu.

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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
PRC	671,528	689,200	541,979	565,966
America	4,709	4,900	-	-
Netherlands	3,401	3,231	-	-
Australia	11,021	11,573	-	-
Others	18,407	15,250	-	-
Total	<u>709,066</u>	<u>724,154</u>	<u>541,979</u>	<u>565,966</u>

Information about major customers

Included in revenues arising from rigid packaging and flexible packaging are revenues of RMB178,900,007 (2018: RMB160,256,824) and RMB15,348,893 (2018: RMB 10,542,699) 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 revenue from others and Europe have improved in FY2019, but the sales revenue contribution from PRC, America and Australia had weakened in FY2019 compared to FY2018 as a result of the decline of sales volume.

17. A breakdown of sales as follows:

	<u>Group</u>		<u>+ / (-)</u>
	<u>2019</u>	<u>2018</u>	
	<u>RMB'000</u>	<u>RMB'000</u>	<u>%</u>
Sales reported for first half year	323,433	343,122	(6)
Operating profit after tax reported for first half year	1,004	2,405	(58)
Sales reported for second half year	385,633	381,032	1
Operating profit/(loss) after tax reported for second half year	8,221	(4,630)	NM

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

	<u>2019</u>	<u>2018</u>
	<u>SGD'000</u>	<u>SGD'000</u>
Ordinary		
Interim	-	-
Final	176	-
Total	176	-

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	38	Son of Mr Pan Shun Ming (Executive Chairman and CEO, and substantial shareholder) and Madam Mai Shuying (substantial shareholder)	Vice President (Property Development) since 14 October 2019 - responsible for overseeing the property development activities of the Group's property investment.	Redesignated from Deputy Chief Operation Officer to Vice President (Property Development) with effect from 14 October 2019
Mai Shuying	63	Spouse of Mr Pan Shun Ming (Executive Chairman and CEO, and substantial shareholder) and parent of Mr Pan Zhaojin (substantial shareholder)	Chief Financial Officer since 30 August 2019 - in-charge for the Group's finance department and is responsible in managing financial and tax matters, in particular, overseeing the fund disbursement and administrative matters.	Resigned as Executive Director and redesignated from Finance Director to Chief Financial Officer on 30 August 2019

BY ORDER OF THE BOARD

Mr. Pan Shun Ming
 Executive Chairman and Chief Executive Officer
 February 28, 2020