SOUTHERN PACKAGING GROUP LIMITED
(Company Registration No.: 200313312N)
(Incorporated in Singapore on 30 December 2003)

CHAPTER 10 AND CHAPTER 9 OF LISTING RULES:
– ACQUISITION OF ASSETS AND INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

The Board of Directors of Southern Packaging Group Limited (the "Company", and together with its subsidiaries, the "Group") wishes to announce that the Company's wholly-owned subsidiary, Foshan Southern Packaging Co., Ltd. ("**Foshan Southern**") has entered into an asset purchase agreement with Foshan Jia Bang Real Estate Co., Ltd (the "**Vendor**"), for the acquisition for four office units located at Thrive United International Financial Centre, #1 Shilong South Road, Guicheng, Nanhai, Foshan, Guangdong, the People's Republic of China ("**Office Units**")("**Acquisition**") for a purchase consideration of RMB19,997,226.

2. Details of Office Units and Rational for the Acquisition

The Office Units covers an area of 1,475.81 square meters and intended for own occupation to facilitate the operations of the Company.

3. Consideration

The Consideration was agreed on a willing buyer willing seller basis and on arm's length commercial terms. No valuation was commissioned in respect of the acquisition. The acquisition will be funded by internal financial resources.

4. Financial Effect of the Acquisition

The Acquisition is not expected to have a material impact on the consolidated Net Tangible Assets ("**NTA**") and earnings per share of the Group for the financial year ending 31 December 2016.

5. Listing Rules

Chapter 10

The Group's latest audited consolidated NTA as at financial year ended 31 December 2015 was RMB491,135,105. This acquisition is 4.07% (less than 5%) of the Group's latest audited consolidated NTA and considered a non-disclosable transaction under Rule 1006 of Chapter 10 of the Listing Rules of the Singapore Exchange Securities Trading Limited ("**Listing Manual**").

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The vendor is a private limited company incorporated in the People's Republic of China and is 80% owned by Mr Pan Shun Ming and Mr Pan Zhaojin. As such, Mr Pan Shun Ming and Mr Pan Zhaojin are the interested persons in this acquisition and the entity at risk is Southern Packaging Group Limited through its wholly-owned subsidiary, Foshan Southern.

As such, this Acquisition is regarded as an interested person transaction and the requirements under Chapter 9 of the Listing Manual are applicable. As calculated above, the Consideration represents 4.07% of the latest Group's audited Consolidated NTA as at 31 December 2015.

Total aggregate value of the interested person transactions ("**IPTs**") in the IPTs logbook after this Acquisition is RMB30,314,910 or 6.17% of the Group's latest audited consolidated NTA, the Company is required to comply with Listing Rule 906(1)(b) of the Listing Manual for shareholders' approval.

However, no aggregation was required for the disposal of the 35.0% equity interest of Foshan Energetic Film Co., Ltd. as this IPT has been specifically approved by the shareholders in an EGM held on 29 April 2016. At a net aggregate IPTs value of RMB22,433,210 i.e. 4.57% of the Group's latest audited consolidated NTA, only compliance pursuant to Listing Rule 905(2) is required.

6. AUDIT COMMITTEE'S STATEMENT

The Audit Committee of the Company is of the view that the above mentioned IPTs are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Interested Person Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this circular misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

PAN SHUN MING
Executive Chairman
2 August 2016