

# Southern Packaging Group Limited

Unaudited Condensed Full Year Financial Statements for the Period Ended  
31 December 2025

## PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

### A. Condensed full year consolidated statement of profit or loss and other comprehensive income

	Note	Group	Group	Change	Group	Group	Change
		2H	2H		Jan-Dec	Jan-Dec	
		2025	2024		2025	2024	
		RMB'000	RMB'000		RMB'000	RMB'000	
Revenue	4	333,251	354,223	(5.9%)	618,330	687,917	(10.1%)
Cost of sales		(262,463)	(296,996)	(11.6%)	(505,067)	(562,878)	(10.3%)
Gross profit		70,788	57,227	23.7%	113,263	125,039	(9.4%)
Gross profit margin		21.2%	16.2%	31.5%	18.3%	18.2%	0.8%
Other operating income		8,042	9,300	(13.5%)	12,988	14,955	(13.2%)
Distribution expenses		(20,468)	(22,428)	(8.7%)	(41,834)	(45,678)	(8.4%)
Administrative expenses		(33,027)	(45,187)	(26.9%)	(72,181)	(84,575)	(14.7%)
Finance costs		(9,149)	(10,152)	(9.9%)	(18,583)	(20,778)	(10.6%)
Profit/(Loss) before income tax	6	16,186	(11,240)	NA	(6,347)	(11,037)	(42.5%)
Income tax credit/(expense)	7	885	(8,158)	NA	697	(7,858)	NA
Profit/(Loss) for the period		17,071	(19,398)	NA	(5,650)	(18,895)	(70.1%)
Other comprehensive income: <i>Items to be reclassified to profit or loss in subsequent periods</i>							
Exchange differences on translation of foreign operations		(75)	102	NA	(211)	164	NA
Total comprehensive expense for the period, representing loss for the period attributable to owners of the parent.		16,996	(19,296)	NA	(5,861)	(18,731)	(68.7%)
Earnings/(Loss) per share							
- Basic and diluted (RMB in cent)		24.17	(27)	NA	(8.03)	(27)	(70.3%)

## B. Condensed full year statements of financial position

		Group	Group	Company	Company
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
	Note	RMB'000	RMB'000	RMB'000	RMB'000
<b><u>Current assets:</u></b>					
Cash and cash equivalents		59,382	62,422	1,339	1,385
Fixed deposits		-	10,741	-	-
Trade receivables	12	161,155	152,852	-	-
Other receivables and prepayments		44,405	41,421	17	16
Inventories	13	354,321	355,493	-	-
Total current assets		619,263	622,929	1,356	1,401
<b><u>Non-current assets:</u></b>					
Investments in subsidiaries		-	-	465,933	465,933
Property, plant and equipment	10	349,181	354,412	-	-
Investment properties	11	87,183	89,349	-	-
Land use rights		34,322	35,400	-	-
Right of use assets		3,466	2,323	-	-
Deferred tax assets	14	9,843	10,921	-	-
Total non-current assets		483,995	492,405	465,933	465,933
<b>Total assets</b>					
		1,103,258	1,115,334	467,289	467,334

## B. Condensed full year statements of financial position(Cont'd)

		Group	Group	Company	Company
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
	Note	RMB'000	RMB'000	RMB'000	RMB'000
<b><u>Current liabilities:</u></b>					
Trade payables		145,111	166,172	-	-
Other payables		31,379	32,557	48,174	39,590
Borrowings	16	325,000	349,271	-	-
Current income tax payable		3,053	4,245	-	-
Deferred government subsidies		1,139	1,139	-	-
Lease liabilities	15	3,467	2,372	-	-
Total current liabilities		509,149	555,756	48,174	39,590
<b><u>Non-current liabilities:</u></b>					
Deferred government subsidies		6,018	7,157	-	-
Borrowings	16	88,530	46,999	-	-
Deferred tax liabilities	14	1,000	1,000	-	-
Total non-current liabilities		95,548	55,156	-	-
<b>Total liabilities</b>		604,697	610,912	48,174	39,590
<b><u>Equity attributable to equity holders of the Company:</u></b>					
Share capital	17	230,593	230,593	230,593	230,593
Capital contribution		12,639	12,639	-	-
Statutory reserve		64,688	64,124	-	-
Foreign currency translation account		(1,055)	(844)	-	-
Retained earnings		191,696	197,910	188,522	197,151
Total equity		498,561	504,422	419,115	427,744
<b>Total liabilities and equity</b>		1,103,258	1,115,334	467,289	467,334

### C. Condensed full year statements of changes in equity

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 1.1.2024	230,593	64,124	12,639	216,805	(1,008)	523,153
Loss for the financial year	-	-	-	(18,895)	-	(18,895)
Other comprehensive income for the financial year						
- Exchange differences on translation of foreign operations	-	-	-	-	164	164
Total comprehensive loss for the financial year	-	-	-	(18,895)	164	(18,731)
Balance as at 31.12.2024	230,593	64,124	12,639	197,910	(844)	504,422
Balance as at 1.1.2025	230,593	64,124	12,639	197,910	(844)	504,422
Loss for the financial year	-	-	-	(5,650)	-	(5,650)
Other comprehensive income for the financial year						
- Exchange differences on translation of foreign operation	-	-	-	-	(211)	(211)
- Transfer to statutory reserve	-	-	-	-	-	-
Total comprehensive loss for the financial year	-	-	-	(5,650)	(211)	(5,861)
Others						
Transfer to statutory reserve	-	564	-	(564)	-	-
Balance as at 31.12.2025	230,593	64,688	12,639	191,696	(1,055)	498,561

### C. Condensed full year statements of changes in equity(cont'd)

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Company</b>			
Balance as at 1.1.2024	230,593	208,735	439,328
Profit for the financial year, representing total comprehensive income for the financial year	-	(11,584)	(11,584)
Balance as at 31.12.2024	<u>230,593</u>	<u>197,151</u>	<u>427,744</u>
Balance as at 1.1.2025	230,593	197,151	427,744
Loss for the financial year, representing total comprehensive income for the financial year	-	(8,629)	(8,629)
Balance as at 31.12.2025	<u>230,593</u>	<u>188,522</u>	<u>419,115</u>

## D. Condensed full year consolidated statement of cash flows

	Group 2025 RMB'000	Group 2024 RMB'000
<b><u>Cash flows from operating activities</u></b>		
<b>Loss before income tax</b>	<b>(6,347)</b>	<b>(11,037)</b>
Adjustments for:		
Depreciation of property, plant and equipment	25,833	50,748
Depreciation of investment properties	2,166	2,166
Amortisation of deferred government subsidies	(1,139)	(1,139)
Amortisation of land use rights	1,078	1,078
Amortisation of right-of-use assets	2,315	2,346
Interest income	(155)	(319)
Interest expense	18,583	20,778
Unrealised foreign currency exchange loss	(84)	322
Allowance made for slow-moving and obsolete inventories	1,076	18
Loss on property, plant and equipment written off	-	374
Loss allowance (reversal)/made on trade receivables	(399)	166
Loss on disposal of property, plant and equipment	45	384
Operating cash flows before working capital changes	<b>42,972</b>	<b>65,885</b>
Working capital changes:		
Trade receivables	(8,958)	765
Other receivables and prepayments	(4,336)	2,414
Inventories	95	7,331
Trade payables	(18,946)	(37,329)
Other payables	(1,091)	(2,047)
<b>Cash generated from operations</b>	<b>9,736</b>	<b>37,019</b>
Income tax refund/(paid)	582	(1,085)
<b>Net cash generated from operating activities</b>	<b>10,318</b>	<b>35,934</b>
<b><u>Cash flows from investing activities</u></b>		
Purchase of property, plant and equipment	(20,681)	(10,753)
Proceeds from disposal of property, plant and equipment	34	441
Interest received	155	319
<b>Net cash used in investing activities</b>	<b>(20,492)</b>	<b>(9,993)</b>

#### D. Condensed full year consolidated statement of cash flows(Cont'd)

	<b>Group 2025 RMB'000</b>	<b>Group 2024 RMB'000</b>
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(18,583)	(20,778)
Proceeds from borrowings	450,264	401,107
Repayment of borrowings	(432,660)	(422,640)
Lease payment	(2,364)	(2,374)
Decrease/(Increase) in pledged fixed deposits	10,741	(9,300)
Increase in pledged bank balances	(1,563)	-
<b>Net cash from /(used in) financing activities</b>	<b>5,835</b>	<b>(53,985)</b>
Decrease in cash and cash equivalents	(4,339)	(28,044)
Cash and cash equivalents at the beginning of the financial year	62,422	90,220
Effect of foreign exchange rate changes on cash and cash equivalents in foreign currencies	(264)	246
Cash and cash equivalents at the end of the financial year (Note A)	<u>57,819</u>	<u>62,422</u>

#### **Note A: Cash and Cash Equivalents**

	<b>2025 RMB'000</b>	<b>2024 RMB'000</b>
Cash and cash equivalents	59,382	73,163
Less: Bank balances pledged	(1,563)	-
Less: Fixed deposits pledged	-	(10,741)
Cash and cash equivalents at the end of the financial year	<u>57,819</u>	<u>62,422</u>

## **E. Notes to the condensed full year consolidated financial statements**

### **1. General corporate information**

Southern Packaging Group Limited (the “Company”) (Registration Number: 200313312N) is a public company limited by shares, incorporated and domiciled in the Republic of Singapore with its registered office at 36 Robinson Road, #20-01 City House, Singapore 068877 and principal place of business at No. 9 Foping Four Road, Gui Cheng, Nanhai, Foshan City, Guangdong 528251, the People’s Republic of China. The Company is listed on the Main Board of Singapore Exchange Securities Trading Limited (“SGX-ST”). These condensed full year financial statements as at and for the 12 months ended 31 December 2025 comprise the Company and its subsidiaries (collectively, the Group). The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are trading and manufacturing of packaging products for foodstuff, medical and cosmetic products, and property development.

### **2. Basis of Preparation**

The condensed full year financial statements for the 12 months ended 31 December 2025 have been prepared in accordance with SFRS(I) 1-34 *Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements and should be read in conjunction with the 2025 annual report. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

There are no changes in the accounting policies adopted, which were consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s.

#### *Impact of accounting standards to be applied in future periods*

There are a number of standards and interpretations which have been issued by the ASC that are effective for periods beginning subsequent to 31 December 2025 (the date on which the Company’s next annual financial statements will be prepared up to) that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

The condensed full year financial statements are presented in RMB which is the Company’s functional currency, and all values are rounded to the nearest thousand (RMB’000) unless otherwise stated.

### **2.2. Use of judgements and estimates**

In preparing the condensed full year financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025, except for new accounting estimates of change in property, plant and equipment useful life as elaborated below:

During FY2025, the Group conducted a review of the estimated useful lives of certain assets under buildings and plant and machinery asset categories, taking into consideration historical operating performance, maintenance experience and the Group’s current operating strategy. Following the review, the estimated useful lives were revised as follows:

- Production equipment: from 8–15 years to 8–20 years
- Factory buildings: 20 to 40 years

The revision represents a change in accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and has been applied prospectively from 1 January 2025.

Comparative figures have not been restated.

The change affects the timing of depreciation recognition over the remaining useful lives of the assets and does not affect the total depreciation to be recognised over their full economic lives.

The financial impact of the depreciation in the financial statements as showed below:

Decrease in depreciation expenses for the year amounting to RMB19,669,000  
Increase in depreciation expenses for the future years amounting to RMB19,669,000

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 10 – Impairment of property, plant and equipment and land use rights
- Note 10 – Change in property, plant and equipment useful lives
- Note 11 – Impairment of investment properties
- Note 12 – Loss allowance for trade receivables
- Note 13 – Allowance for slow-moving and obsolete inventories
- Note 14 – Recognition of deferred tax assets and liabilities

### **3. Seasonal operations**

The Group's businesses were not affected significantly by seasonal or cyclical factors during the financial period.

### **4. Segment and revenue information**

The Group is organized into the following main business segments:

- Segment 1: Rigid packaging;
- Segment 2: Flexible packaging; and
- Segment 3: Properties development.

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments.

#### 4.1. Reportable segments

	Rigid packaging	Rigid packaging	Flexible packaging	Flexible packaging	Property sale	Property sale	Consolidated	Consolidated
	2025 (unaudited)	2024 (audited)	2025 (unaudited)	2024 (audited)	2025 (unaudited)	2024 (audited)	2025 (unaudited)	2024 (audited)
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>REVENUE</b>								
External sales	417,422	473,453	200,908	214,464	-	-	618,330	687,917
<b>RESULTS</b>								
Segment gross profit	93,191	95,293	20,072	29,746	-	-	113,263	125,039
Allocated expenses	(70,223)	(83,814)	(32,768)	(35,319)	(2,349)	(3,191)	(105,340)	(122,324)
Allocated income	963	2,835	1,293	1,889	341	87	2,597	4,811
Segment result	23,931	14,314	(11,403)	(3,684)	(2,008)	(3,104)	10,520	7,526
Unallocated expenses							(8,675)	(7,929)
Unallocated income							10,236	9,825
Interest income							155	319
Interest expense							(18,583)	(20,778)
Loss before income tax							(6,347)	(11,037)
Income tax credit/(expense)							697	(7,858)
Loss for the financial year attributable to owners of the Parent							(5,650)	(18,895)
<b>ASSETS</b>								
Segment assets	457,069	472,437	209,101	187,771	362,937	365,104	1,029,107	1,025,312
Unallocated corporate assets							74,151	90,022
Consolidated total assets							1,103,258	1,115,334

#### 4.1. Reportable segments (cont'd)

	Rigid packaging	Rigid packaging	Flexible packaging	Flexible packaging	Property sale	Property sale	Consolidated	Consolidated
	2025 (unaudited)	2024 (audited)	2025 (unaudited)	2024 (audited)	2025 (unaudited)	2024 (audited)	2025 (unaudited)	2024 (audited)
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>LIABILITIES</b>								
Segment liabilities	76,983	101,430	54,855	67,927	45,061	45,062	176,899	214,419
Unallocated corporate liabilities							427,798	396,493
Consolidated total liabilities							604,697	610,912

#### 4.1. Reportable segments (cont'd)

	Rigid packaging	Rigid packaging	Flexible packaging	Flexible packaging	Property sale	Property sale	Consolidated	Consolidated
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	Jul-Dec	Jul-Dec	Jul-Dec	Jul-Dec	Jul-Dec	Jul-Dec	Jul-Dec	Jul-Dec
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>REVENUE</b>								
External sales	219,747	245,007	113,504	109,216	-	-	333,251	354,223
<b>RESULTS</b>								
Segment gross profit	56,435	42,788	14,353	14,439	-	-	70,788	57,227
Allocated expenses	(33,415)	(43,086)	(15,351)	(21,008)	(1,046)	(1,666)	(49,812)	(65,760)
Allocated income	(995)	2,422	1,289	1,507	264	67	558	3,996
Segment result	22,025	2,124	291	(5,062)	(782)	(1,599)	21,534	(4,537)
Unallocated expenses							(3,683)	(1,855)
Unallocated income							7,449	5,148
Interest income							36	156
Interest expense							(9,149)	(10,152)
Loss before income tax							16,187	(11,240)
Income tax credits							884	(8,158)
Loss for the financial year attributable to owners of the Parent							17,071	(19,398)
<b>ASSETS</b>								
Segment assets	452,069	472,437	209,101	187,771	362,937	365,104	1,029,107	1,025,312
Unallocated corporate assets							74,151	90,022
Consolidated total assets							1,103,258	1,115,334
<b>LIABILITIES</b>								
Segment liabilities	76,983	101,430	54,855	67,927	45,061	45,062	176,899	214,419
Unallocated corporate liabilities							427,798	396,493
Consolidated total liabilities							604,697	610,912

#### 4.2. Disaggregation of Revenue

	<b>The Group</b>			
	<b>12 months ended 31 December 2025</b>			
	<b>Rigid packaging</b>	<b>Flexible packaging</b>	<b>Property sale</b>	<b>Consolidated</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Types of goods or service:</b>				
<b>Sales of goods</b>	417,422	200,908	-	618,330
<b>Total revenue</b>	417,422	200,908	-	618,330
<b>Timing of revenue recognition:</b>				
<b>At a point in time</b>	417,422	200,908	-	618,330
<b>Total revenue</b>	417,422	200,908	-	618,330
<b>Geographical information:</b>				
<b>PRC</b>	384,867	183,190	-	568,057
<b>Australia</b>	21,925	-	-	21,925
<b>Phillipines</b>	7,907	-	-	7,907
<b>Thailand</b>	143	12,192	-	12,335
<b>Others regions</b>	2,580	5,526	-	8,106
<b>Total revenue</b>	417,422	200,908	-	618,330

	<b>The Group</b>			
	<b>12 months ended 31 December 2024</b>			
	<b>Rigid packaging</b>	<b>Flexible packaging</b>	<b>Property sale</b>	<b>Consolidated</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Types of goods or service:</b>				
<b>Sales of goods</b>				
<b>Total revenue</b>	473,453	214,464	-	687,917
<b>Timing of revenue recognition:</b>				
<b>At a point in time</b>	473,453	214,464	-	687,917
<b>Total revenue</b>	473,453	214,464	-	687,917
<b>Geographical information:</b>				
<b>PRC</b>	438,668	192,819	-	631,487
<b>Australia</b>	19,635	-	-	19,635
<b>Phillipines</b>	10,351	-	-	10,351
<b>Thailand</b>	148	13,677	-	13,825
<b>Others regions</b>	4,651	7,968	-	12,619
<b>Total revenue</b>	473,453	214,464	-	687,917

	<b>The Group</b>			
	<b>2H 2025</b>			
	<b>Rigid packaging</b>	<b>Flexible packaging</b>	<b>Property sale</b>	<b>Consolidated</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Types of goods or service:</b>				
<b>Sales of goods</b>	219,747	113,504	-	333,251
<b>Total revenue</b>	219,747	113,504	-	333,251
<b>Timing of revenue recognition:</b>				
<b>At a point in time</b>	219,747	113,504	-	333,251
<b>Total revenue</b>	219,747	113,504	-	333,251
<b>Geographical information:</b>				
<b>PRC</b>	205,752	105,198	-	310,950
<b>Australia</b>	9,258	-	-	9,258
<b>Phillipines</b>	3,565	-	-	3,565
<b>Thailand</b>	-	5,946	-	5,946
<b>Others regions</b>	1,172	2,360	-	3,532
<b>Total revenue</b>	219,747	113,504	-	333,251

	<b>The Group</b>			
	<b>2H 2024</b>			
	<b>Rigid packaging</b>	<b>Flexible packaging</b>	<b>Property sale</b>	<b>Consolidated</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Types of goods or service:</b>				
<b>Sales of goods</b>	245,007	109,216	-	354,223
<b>Total revenue</b>	245,007	109,216	-	354,223
<b>Timing of revenue recognition:</b>				
<b>At a point in time</b>	245,007	109,216	-	354,223
<b>Total revenue</b>	245,007	109,216	-	354,223
<b>Geographical information:</b>				
<b>PRC</b>	226,669	100,080	-	326,749
<b>Australia</b>	10,710	-	-	10,710
<b>Phillipines</b>	4,282	-	-	4,282
<b>Thailand</b>	148	5,283	-	5,431
<b>Others regions</b>	3,198	3,853	-	7,051
<b>Total revenue</b>	245,007	109,216	-	354,223

## 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2025 and 31 December 2024:

	The Group		The Company	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Financial Assets</b>				
Cash and bank balances and trade and other receivables* (Amortised cost)	229,396	235,648	1,356	1,401
<b>Financial Liabilities</b>				
Trade and other payables and borrowings** (Amortised cost)	583,239	580,684	48,174	39,590

\*Excluding advances to suppliers, prepayments and value added tax.

\*\* Excluding contract liabilities and other taxes.

## 6. Loss before income tax

### Significant items

	Group	Group	Group	Group
	2H 2025	2H 2024	Jan-Dec 2025	Jan-Dec 2024
	RMB'000	RMB'000	RMB'000	RMB'000
Sales of raw materials and moulds	(2,730)	(4,586)	(4,760)	(6,195)
Interest income	(35)	(156)	(155)	(319)
Government grant (including amortisation of deferred government subsidies)	(1,771)	(3,992)	(2,753)	(5,966)
Foreign currency exchange loss/(gain)	(1,582)	707	(756)	324
Depreciation on property, plant and equipment	2,639	28,665	25,833	50,748
Depreciation of investment properties	1,083	1,083	2,166	2,166
Amortisation of land use rights	539	539	1,078	1,078
Amortisation of right-of-use assets	2,315	2,346	2,315	2,346
Loss allowance (reversal)/made on trade receivables	(428)	166	(399)	166
Allowance made on slow-moving and obsolete inventories	1,076	18	1,076	18
Research and development costs (included R&D staff cost)	13,123	17,802	26,318	32,676
Finance costs	9,149	10,152	18,583	20,778
Directors' remuneration				
- Director's fees	337	296	673	656
- Salaries, bonuses and allowances	1,088	1,919	3,029	3,819
- Contributions to defined contribution plans	22	20	45	39

## 7. Taxation

	2H 2025	2H 2024	12 months ended 31 December 2025	12 months ended 31 December 2024
	RMB'000	RMB'000	RMB'000	RMB'000
Current income tax expense	(1,175)	348	(1,175)	348
Deferred income tax expense/(credit)	1,078	7,810	1,078	7,510
Income tax expense/(credit)	(697)	8,158	(697)	7,858

## 8. Dividends

	The Group	
	12 months ended 31 December 2025	12 months ended 31 December 2024
Ordinary dividends paid:	RMB'000	RMB'000
First and final exempt dividend	-	-
	RMB	RMB
Dividend per share (net of tax)	-	-

## 9. Net asset value( “NAV”)

	Group		Company	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	RMB	RMB	RMB	RMB
Net asset value per ordinary share	7.09	7.17	5.96	6.08

The NAV per share as at 31 December 2025 was calculated based on the number of shares in issue of 70,319,164 shares (31 December 2024: 70,319,164 shares).

## 10. Property, plant and equipment

Following is a reconciliation of changes in the balances of property, plant and equipment:

	RMB'000
Property, plant and equipment, 1 January 2025	354,412
Less: depreciation	(25,833)
Less: disposal	(79)
Less: write off	-
Additions	20,681
Property, plant and equipment, 31 December 2025	<u>349,181</u>

During the year ended 31 December 2025, the additions of property, plant and equipment amounted to RMB 20,681,000 (31 December 2024: RMB10,753,000).

## 11. Investment properties

Following is a reconciliation of changes in the balances of investment properties:

	<b>FY2025</b>
	<b>RMB'000</b>
Cost	
Balance as at 1.1.2025/31.12.2025	96,211
Accumulated depreciation	
Balance as at 1.1.2025	6,862
Depreciation for the financial year	2,166
Balance as at 31.12.2025	9,028
Carrying Amount	87,183

## 12. Trade receivables

The Group has segregated its customers by geographical areas and considered the historical loss pattern for each geographical area and relevant forward-looking information in order to determine the lifetime expected credit loss ("ECL") for its trade receivables.

The Group does not account for ECL allowance arising from non-credit impaired receivables as the amount is insignificant.

Credit impaired receivables refer to those debtors that are in significant financial difficulties and have defaulted on payment.

Movement in the loss allowance for credit impaired trade receivables was as follows:

	<b>Group</b>	
	<b>31.12.2025</b>	<b>31.12.2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Balance as at the beginning of the financial year	827	661
Loss allowance (reversal) / made on trade receivables	(399)	166
Balance as at the end of the financial year	<u>428</u>	<u>827</u>

### 13. Inventories

The breakdown of inventories is as follows:

	Group	
	31.12.2025	31.12.2024
	RMB'000	RMB'000
Properties held for sale	275,755	275,755
Inventories for packaging business	78,566	79,738
Total	354,321	355,493

Management reviews the Group's inventory levels in order to identify slow-moving and obsolete merchandise and identifies items of inventory which have a market price that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the sale ability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 December 2025 was RMB 354,321,000 (31 December 2024: RMB355,493,000).

During the 12 months ended 31 December 2025, the Group carried out a review of the realisable values of its inventories and have a addition of allowance for inventories obsolescence of RMB 1,076,000 (31 December 2024:RMB 18,000).

### 14. Deferred tax assets and liabilities

The Group recognises deferred tax assets for unutilised tax losses and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which these tax benefits can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and level of future taxable profits.

Deferred tax liabilities are recognised based on their best estimates of the likely taxes due. This includes the determination of estimated unremitted earnings for dividend distribution on which deferred tax liability is to be provide for. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made.

As at 31 December 2025, the carrying amounts of the Group's deferred tax assets and deferred tax liabilities were RMB 9,843,000 (31 December 2024: RMB10,921,000) and RMB1,000,000 (31 December 2024: RMB1,000,000) respectively.

### 15. Lease liability

The Group leases warehouse spaces and office from external parties and related parties. Included in the lease arrangements, there are extension held and exercisable only by the Group. In determining the lease term, management considers the likelihood of either to exercise the extension option based on facts and circumstances that create an economic incentive to extend the lease.

The assessment on lease terms is reviewed at the end of each reporting period if there is a significant change in the Group's intentions, business plan or other circumstances unforeseen since it was first estimated. During the 12 months ended 31 December 2025, the weighted average incremental borrowing rate applied to lease liabilities was 5.20% per annum (31 December 2024: 5.20%) per annum.

## 16. Borrowings

### Amount repayable in one year or less, or on demand

As at 31/12/2025		As at 31/12/2024	
RMB'000		RMB'000	
Secured	Unsecured	Secured	Unsecured
308,782	16,218	349,271	-

### Amount repayable after one year

As at 31/12/2025		As at 31/12/2024	
RMB'000		RMB'000	
Secured	Unsecured	Secured	Unsecured
88,530	-	46,999	-

### Details of any collateral

The bank loans are secured as follows:

- (a) Secured by property, plant and machinery, land use rights, pledged bank balances and pledged fixed deposits;
- (b) Corporate guarantees by the Company and a subsidiary; and
- (c) Personal guarantee by a director/shareholder of the Company.

## 17. Share capital

	The Group and the Company			
	31 December 2025		31 December 2024	
	Number of shares	Amount	Number of shares	Amount
	'000	RMB'000	'000	RMB'000
Beginning of Interim period	70,319	230,593	70,319	230,593
Issue of ordinary shares by virtue of exercise of share options	-	-	-	-
End of interim period	70,319	230,593	70,319	230,593

The Company did not hold any treasury shares as at 31 December 2025.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2025 and 31 December 2024.

## 18. Related party transactions

During the 12 months ended 31 December 2025, the Group entities entered into the following transactions with related parties at rates and terms agreed between the parties:

	Group	
	Jan-Dec 2025	Jan-Dec 2024
	RMB	RMB
<u>With certain Director of the Company</u>		
Rental expense	840,336	840,336
<u>With companies in which certain Director have control</u>		
Rental expense	1,650,084	1,650,084
Property management fee	1,024,399	840,216
Rental income	119,378	114,286
Utilities paid on behalf	409,116	294,503

## 19. Fair value of financial assets and financial liabilities

The carrying amounts of the Group and the Company's current financial assets and current financial liabilities approximate their respective fair values as at the end of the reporting period due to the relatively short-term maturity of these financial instruments.

The fair values of the Group's non-current financial liabilities in relation to borrowings approximates its carrying amount as these financial instruments are at floating interest rates. For the fixed rate non-current borrowings, the management estimates that the carrying amount approximate its fair value as the interest rate of the borrowings approximate the market lending rate for similar types of loan at the end of the reporting period. The carrying amount of current borrowings is a reasonable approximation of its fair value due to its relatively short-term maturity.

## 20. Events after reporting period

There are no known subsequent events which have led to adjustments to this set of full year financial statements.

## Other information required by Listing Rule Appendix 7.2

### 1. Review

The condensed consolidated statement of financial position of Southern Packaging Group Limited and its subsidiaries as at 31 December 2025 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the full year period then ended and certain explanatory notes have not been audited or reviewed.

**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 and subsidiary holdings 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 2025	31 December 2024
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 modifications or emphasis of a matter).**

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: (a) Updates on the efforts taken to resolve each outstanding audit issue. (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is material uncertainty relating to going concern.**

Not applicable as the Group's latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

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 2025.

- 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.**

Not applicable.

- 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 Jan-Dec 2025 RMB	Group Jan-Dec 2024 RMB
(Loss)/Earnings per ordinary share for the period based on net profit attributable to shareholders:	(0.08)	(0.27)

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. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (a) 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; and (b) 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 RMB20.9 million (5.9%) from RMB354.2 million in 2H FY2024 to RMB333.3 million in 2H FY2025. The Group's revenue decreased by RMB69.6 million (10.1%) from RMB687.9 million in FY2024 to RMB618.3 million in FY2025. The decrease in sales was mainly attributable to a combination of external and industry-specific factors. Domestic demand remained soft during the period, while tariff-related developments continued to affect export activities, resulting in intensified competition in the domestic market and a more pronounced imbalance between supply and demand. In addition, sales from certain key customers, including those in the pharmaceutical, health supplement, confectionery and condiment segments, declined during the year, further contributing to the overall reduction in revenue.

### **Gross profit**

The Group's gross profit increased by RMB13.6 million (23.8%) from RMB57.2 million in 2H FY2024 to RMB70.8 million in 2H FY2025. The increase in gross profit for the second half of FY2025 was primarily attributable to the change in estimated useful lives of certain production equipment and factory buildings, which resulted in lower depreciation charges recognised towards the end of the financial year.

For the full year, the Group's gross profit decreased by RMB11.8 million (9.4%) from RMB125.0 million in FY2024 to RMB113.2 million in FY2025. The decrease was mainly attributable to lower sales revenue during the year, which led to reduced production volumes and higher unit manufacturing costs. In addition, the decline in average selling prices further compressed margins. These factors were partially offset by the reduction in depreciation expenses arising from the reassessment of useful lives.

### **Other operating income**

Other operating income decreased by RMB1.3 million to RMB8.0 million in 2H FY2025 compared to RMB9.3 million in the previous corresponding period. Other operating income decreased by RMB2.0 million to RMB13.0 million in FY2025 compared to RMB15 million in the previous corresponding period. This is mainly due to the decrease in government grants during the period.

### **Loss before income tax**

The Group's loss before income tax is RMB6.3 million in FY2025 compared to RMB11.0 million in FY2024. The decrease in loss before income tax was mainly due to:

- Gross profit increased by RMB11.8 million as mentioned above;
- Distribution expenses decreased by RMB3.8 million mainly due to the decrease in freight costs;
- Administrative expenses decreased by RMB12.4 million mainly due to lower R&D expenses incurred during the year following the decrease in sales, coupled with decrease with an adjustment of duty and tax amounting to RMB 4.1 million and decrease in depreciation of RMB0.8 million.
- Finance costs decreased by RMB2.2 million mainly due to the lower bank borrowing interest rates.

The Group's income before income tax is RMB16.2 million in 2H FY2025 compared to the loss of RMB11.2 million in 2H FY2024. The increase in loss before tax was mainly due to:

- Gross profit increased by RMB13.6 million as mentioned above;
- Distribution expenses decreased by RMB1.9 million mainly due to the decrease in freight costs;
- Administrative expenses decreased by RMB12.2 million mainly due to lower R&D expenses incurred during the year following the decrease in sales, coupled with decrease with an adjustment of duty and tax amounting to RMB 4.1 million and decrease in depreciation of RMB0.8 million.
- Finance costs decreased by RMB1.0 million mainly due to the lower bank borrowing interest rates.

### **Income Tax Credit**

The Group recorded an income tax credit of RMB0.7 million in FY2025 as compared to an income tax expense of RMB7.9 million in FY2024.

In FY2024, certain deferred tax assets were written down following a reassessment of their recoverability based on prevailing profitability projections at that time.

In FY2025, after reviewing updated financial forecasts and business performance, management has derecognised the deferred tax assets where it was considered probable that sufficient future taxable profits would be available to utilise such tax losses and temporary differences.

The movement in deferred tax primarily relates to changes in estimates of recoverability and does not have an immediate impact on the Group's cash flows.

### **Current Assets**

Current assets decreased by RMB3.7 million when compared to the end of FY2024. This was mainly due to the following:

- a) Cash and bank balances decreased by RMB3.0 million;
- b) Fixed deposits decreased by RMB10.7 million;
- c) Inventories decreased by RMB1.2 million and account receivable increased by RMB8.3 million. They were primarily attributable to higher sales towards the financial year end.
- d) Other receivables and prepayments increased by RMB3.0 million.

	Group 31 Dec 2025 RMB'000	Group 31 Dec 2024 RMB'000
(i) Other receivables and deposits	8,859	9,634
(ii) Advances to suppliers and prepayment	30,636	25,865
(iii) Value added tax	4,910	5,922
Total	44,405	41,421

### **Non-Current Assets**

Non-current assets decreased by RMB8.4 million, from RMB492 million to RMB484 million, primarily attributable to the net effect of depreciation charges and additions to property, plant and equipment during the financial year.

### **Current Liabilities**

Current liabilities decreased by RMB46.6 million from RMB555.7 million to RMB509.1 million mainly due to the following:

- Trade payables decreased by RMB21.1 million mainly due to the repayment of suppliers relating to Apex Tower during the year;
- Short-term bank borrowings decreased by RMB24.3 million, primarily attributable to the renegotiation of repayment terms extending beyond 12 months, Accordingly, the borrowings had recognised as long-term borrowings;
- Current income tax payable decreased slightly by RMB1.2 million; and
- Other payables decreased by RMB1.2 million due to the followings:

	Group 31 Dec 2025 RMB'000	Group 31 Dec 2024 RMB'000
(i) Accrued expenses	18,998	19,377
(ii) Other payables	8,186	6,944
(iii) Advances to customers	4,195	6,236
Total	31,379	32,557

### **Long-Term Liabilities**

Long-term liabilities increased by RMB41.5 million mainly due to the increase in long term borrowings.

### **The Consolidated Statement of Cash Flows**

In FY2025, the Group recorded cash flows generated from operating activities amounted to RMB10.3 million as compared to RMB35.9 million in FY2024 mainly due to:

- a) Operating cash flows (before working capital changes) amounted to RMB43.0 million;
- b) Cash inflows from inventories amounted to RMB0.1 million;
- c) Cash outflows from trade and other receivable amounted to RMB13.3 million;
- d) Cash outflows from trade and other payable amounted to RMB20.0 million.

The net cash used in investing activities had increased by RMB10.5 million from RMB10 million in FY2024 to RMB20.5 million in FY 2025 mainly due to the increase of purchase of property, plant and equipment during the year.

The Group recorded a net cash inflow in financing activities amounting to RMB5.8 million in FY2025 as compared to a net cash outflow amounting to RMB54 million in FY2024. It was mainly due to an increase in net drawdown of RMB17.6 million in bank borrowings in the current year, as opposed to a net repayment of RMB 21.5 million in the previous financial year, coupled with a decrease of RMB 10.7 million in pledged fixed deposits.

### **8. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

### **9. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The packaging industry continues to operate in a highly competitive and price-sensitive environment. Demand recovery in the domestic market remains gradual amid macroeconomic uncertainties and relatively cautious consumer sentiment. Industry competition remains intense, with persistent pricing pressure across key product segments.

Volatility in raw material prices, particularly petrochemical-based inputs, may continue to affect gross margins. In addition, tightening regulatory requirements relating to food safety, pharmaceutical packaging standards and environmental compliance may increase operating costs and capital expenditure requirements.

The Group's loss for FY2025 narrowed compared to the previous financial year, mainly due to the reduction in depreciation expense arising from the revision of useful lives of certain property, plant and equipment, as well as adjustments relating to prior year tax provisions. These factors primarily affect the timing of expense recognition and do not materially change the Group's long-term cash flows or total depreciation over the full useful lives of the assets. Overall operating conditions remain challenging.

In the fast-moving consumer goods (FMCG) sector, growth has been relatively modest amid intensified competition. Leading brand owners have accelerated product packaging upgrades and innovation cycles to enhance market competitiveness. Over the past two years, the Group has strengthened its capabilities in product innovation and development, including simulation analysis, 3D printing for mould prototyping and rapid design workflows. These capabilities have enabled the Group to establish a more efficient design and development model, which has been successfully implemented in projects for several multinational customers. The enhanced technical capability has strengthened the Group's competitiveness in supporting packaging upgrades for existing products and the development of new products for its core customers.

Notwithstanding the challenging environment, the Group recorded a double-digit increase in order intake for the first two months of FY2026 compared to the corresponding period last year. While this provides improved short-term production visibility, management remains cautious regarding the sustainability of such momentum, as market recovery continues to depend on broader macroeconomic and industry conditions.

Looking ahead over the next 12 months, management expects competitive conditions to remain demanding. Pricing pressure and demand uncertainty may persist, and export markets may continue to be affected by global trade developments and geopolitical factors.

The Group will continue to focus on improving operational efficiency, strengthening cost and cash flow management, maintaining strong relationships with core customers, and exercising prudence in capital expenditure. With respect to the Apex Tower property project, sales progress remains slow amid a soft property market. The Group will continue to explore marketing initiatives and asset optimisation strategies to enhance liquidity.

Management will maintain a prudent and disciplined approach in navigating the current market environment.

## **10. Dividend**

### ***(a) Current Financial Period Reported On***

None.

### ***(b) Corresponding Period of the Immediately Preceding Financial Year***

None.

### ***(c) Date payable***

Not applicable.

### ***(d) Record date***

Not applicable.

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

No dividend has been declared or recommended as the Company recorded a loss for the financial year ended 31 December 2025.

**12. 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 31 December 2025 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> ) 31 December 2025	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to <u>Rule 920</u> (excluding transactions less than S\$100,000) 31 December 2025
Guangdong Xing Hua Health Drink Co. Ltd. <sup>(1)</sup>	RMB 1,650,084 (S\$ 301,799)	-
Pan Shun Ming, Mai Shu Ying <sup>(2)</sup>	RMB 840,336 (S\$ 153,697)	-
Foshan Jia Bei Le property management Co. Ltd. <sup>(3)</sup>	RMB 1,024,399 (S\$ 187,361)	-

Notes:

- (1) Rental payment to Guangdong Xing Hua Health Drink Co. Ltd, an associate company of Pan Shun Ming (Executive Chairman 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) Property management fee of Apex Tower.

**13. 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	43	Son of Mr Pan Shun Ming (Executive Chairman and substantial shareholder) and Madam Mai Shuying (substantial shareholder)	Deputy Chief Executive Officer since 13 January 2025  - Work closely with the Chief Executive Officer to formulate and implement corporate strategy and operational initiatives and oversee the Group's property development activities	He served as Vice President (Property Development) responsible for the property development activities of the Group's property investment until 13 January 2025, when he was appointed as Deputy CEO.
Mai Shuying	69	Spouse of Mr Pan Shun Ming (Executive Chairman and substantial shareholder) and parent of Mr Pan Zhaojin (substantial shareholder)	Chief Financial Officer since 1 September 2019  - in-charge of the Group's finance department and is responsible in managing financial and tax matters, in particular, overseeing the fund disbursement and administrative matters	No Change

**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.

**BY ORDER OF THE BOARD**

Mr Pan Shun Ming

Executive Chairman and Chief Executive Officer

28 February 2026