



南方包装集团有限公司
Southern Packaging Group Limited

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

RESPONSE TO QUERIES FROM SGX-ST

The Board of Directors (the “**Board**”) of Southern Packaging Group Limited (the “**Company**”) refers to the queries from Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 6 March 2019 in relation to the Company’s unaudited financial statements for the year ended 31 December 2018 released on 1 March 2019 as follows:

Query 1 from SGX-ST

With reference to the unaudited financial statements for the year ended 31 December 2018, please provide an explanation for the decrease in prepaid lease payments from RMB59,049,000 in FY2017 to RMB41,828,000 in FY2018.

Company’s Response

The decrease in prepaid lease payments is mainly due to a reclassification of carrying amount of RMB15,932,000 to property under development in Sanshan, Foshan, China.

Query 2 from SGX-ST

Please elaborate on the property under development of RMB65,126,000.

Company’s Response

The property under development of RMB65,126,000 consists of prepaid lease payments of RMB15,932,000 and direct cost attributable to the construction of property amounted RMB49,194,000 in Sanshan, Foshan, China.

BY ORDER OF THE BOARD

PAN SHUN MING

Executive Chairman and Chief Executive Officer
8 March 2019