Southern Packaging Group Limited

Unaudited Full Year Financial Statements for the Year Ended 31 December 2020

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
	2020	2019	
	RMB'000	RMB'000	
Revenue	590,382	709,066	(16.7%)
Cost of sales	(474,756)	(561,406)	(15.4%)
Gross profit	115,626	147,660	(21.7%)
Gross profit margin	19.6%	20.8%	
Other operating income	14,480	6,598	119.5%
Distribution expenses	(36,438)	(41,753)	(12.7%)
Administrative expenses	(75,127)	(85,720)	(12.4%)
Finance costs	(14,556)	(17,930)	(18.8%)
Profit before income tax	3,985	8,855	(55%)
Income tax credits	746	370	101.6%
Profit for the year	4,731	9,225	(48.7%)
Other comprehensive income: Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	17	525	(97%)
Total comprehensive income attributable to: Owners of the Parent	4,748	9,750	(51.3%)

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

	Group	Group
	RMB’000	RMB’000
	2020	2019
Sales of raw materials	(108)	(813)
Interest income	(1,106)	(603)
Rental income	(246)	(83)
Foreign currency exchange (gain)/loss	(2,710)	2,694
Government grants	(6,471)	(2,227)
Depreciation of property, plant and equipment	60,628	62,188
Amortisation of prepaid lease payments	1,078	1,037
Amortisation of rights-of-use assets	2,539	2,569
Employee benefits expense(including directors’ remuneration)	92,484	99,650
Research and development costs (included R&D staff cost)	25,763	30,621

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
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RMB'000	RMB'000	RMB'000	RMB'000
Current assets:				
Cash and cash equivalents	67,258	128,811	1,002	1,022
Trade receivables	138,438	163,354	-	-
Other receivables and prepayments	50,780	39,979	1,304	1,306
Inventories	75,105	70,715	-	-
Property under development	241,444	170,696	-	-
Total current assets	573,025	573,555	2,306	2,328
Non-current assets:				
Investment in subsidiaries	-	-	465,933	465,933
Property, plant and equipment	465,734	498,088	-	-
Investment property	400	418	-	-
Prepaid lease payments	39,713	40,791	-	-
Right of use assets	2,373	2,682	-	-
Deferred tax assets	5,391	4,191	-	-
Total non-current assets	513,611	546,170	465,933	465,933
Total assets	1,086,636	1,119,725	468,239	468,261

	Group	Group	Company	Company
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RMB'000	RMB'000	RMB'000	RMB'000
Current liabilities:				
Trade payables	103,242	123,861	-	-
Other payables	34,831	37,969	24,435	34,359
Borrowings	250,809	240,494	-	-
Current income tax payable	4,450	5,697	-	-
Deferred government subsidies	1,139	1,139	-	-
Lease liabilities	2,400	2,671	-	-
Total current liabilities	396,871	411,831	24,435	34,359
Non-current liabilities:				
Deferred government subsidies	11,712	12,851	-	-
Borrowings	116,478	137,258	-	-
Deferred tax liabilities	1,000	1,000	-	-
Lease liabilities	-	70	-	-
Total non-current liabilities	129,190	151,179	-	-
Equity:				
Share capital	230,593	230,593	230,593	230,593
Capital contribution	12,639	12,639	-	-
Statutory reserves	58,066	57,675	-	-
Foreign currency translation account	(1,733)	(1,750)	-	-
Retained earnings	261,010	257,558	213,211	203,309
Total equity	560,575	556,715	443,804	433,902
Total liabilities and equity	1,086,636	1,119,725	468,239	468,261

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

Amount repayable in one year or less, or on demand

As at 31/12/2020		As at 31/12/2019	
RMB'000		RMB'000	
Secured	Unsecured	Secured	Unsecured
234,125	16,684	240,494	-

Amount repayable after one year

As at 31/12/2020		As at 31/12/2019	
RMB'000		RMB'000	
Secured	Unsecured	Secured	Unsecured
86,478	30,000	107,258	30,000

Details of any collateral

The loans are secured as follow:

(a) Secured by property, plant and equipment, prepaid lease payments, investment property, property under development 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 2020 RMB'000	Group 2019 RMB'000
<u>**Cash flows from operating activities**</u>		
Profit before income tax	**3,985**	**8,855**
Adjustments for:		
Depreciation of property, plant and equipment	60,628	62,188
Depreciation of investment property	17	17
Amortisation of deferred government subsidies	(1,139)	(1,064)
Amortisation of prepaid lease payments	1,078	1,037
Amortisation of right-of-use assets	2,539	2,569
Interest income	(1,106)	(603)
Interest expense	14,556	17,929
Unrealised foreign currency exchange (gain)/loss	(1,015)	360
(Reversal of)/Allowance made for inventories obsolescence	(17)	21
Loss on lease modification	2	-
Allowance/(Reversal) of loss allowance for trade receivables	393	(51)
Loss on disposal of property, plant and equipment	34	26
Operating cash flows before working capital changes	**79,955**	**91,285**
Working capital changes:		
Trade receivables	22,437	1,869
Other receivables and prepayments	(11,703)	(10,334)
Inventories	(4,374)	11,430
Property under development	(64,654)	(96,945)
Trade payables	(24,934)	178
Other payables	(2,962)	5,986
Cash (used in)/generated from operations	**(6,235)**	**3,469**
Income tax paid	(1,696)	(754)
Net cash (outflow)/inflow from operating activities	**(7,931)**	**2,715**
<u>**Cash flows from investing activities**</u>		
Purchase of property, plant and equipment	(27,276)	(34,962)
Proceeds from disposal of property, plant and equipment	78	2,701
Government subsidy received on purchase of property, plant and equipment	-	1,900
Interest received	1,106	603
Net cash used in investing activities	**(26,092)**	**(29,758)**

	Group 2020 RMB'000	Group 2019 RMB'000
<u>Cash flows from financing activities</u>		
Interest paid	(14,556)	(17,930)
Proceeds from borrowings	287,413	426,845
Repayment of borrowings	(296,630)	(329,407)
Lease payment	(2,572)	(2,510)
Decrease in pledged fixed deposits	1,253	9,759
Dividends paid	(888)	-
Net cash (used in)/generated from financing activities	**(25,980)**	**86,757**
Increase/(Decrease) in cash and cash equivalents	(60,003)	59,714
Cash and cash equivalents at the beginning of the financial year	126,319	66,476
Effect of foreign exchange rate changes on cash and cash equivalents in foreign currencies	(297)	129
Cash and cash equivalents at the end of the financial year (Note A)	66,019	126,319

Note A: Cash and Cash Equivalents	**2020 RMB'000**	**2019 RMB'000**
Cash and cash equivalents	67,258	128,811
Less: Fixed deposits pledged	(1,239)	(2,492)
Cash and cash equivalents at the end of the financial year	66,019	126,319

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 1.1.2019	230,593	56,937	12,639	249,071	(2,275)	546,965
Loss 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
Balance as at 1.1.2020	230,593	57,675	12,639	257,558	(1,750)	556,715
Profit for the financial year	-	-	-	4,731	-	4,731
Other comprehensive income for the financial year						
- Exchange differences on translation of foreign operations	-	-	-	-	17	17
Total comprehensive income for the financial year	-	-	-	4,731	17	4,748
Transfer to statutory reserve	-	391	-	(391)	-	-
Cash dividends	-	-	-	(888)	-	(888)
Balance as at 31.12.2020	230,593	58,066	12,639	261,010	(1,733)	560,575

	Share capital	Retained earnings	Total equity
	RMB'000	RMB'000	RMB'000
Company			
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	230,593	203,309	433,902
Balance as at 1.1.2020	230,593	203,309	433,902
Total comprehensive income for the financial year	-	10,790	10,790
Cash dividends	-	(888)	(888)
Balance as at 31.12.2020	230,593	213,211	433,804

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 2020	31 December 2019
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 2019.

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 2020	Group 2019
Earnings per ordinary share for the year based on		
Net profit attributable to shareholders (RMB):	0.07	0.13

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	Group	Company	Company
	2020	2019	2020	2019
Net asset value (NAV) per ordinary share (RMB)	7.97	7.92	6.31	6.17

The NAV per share as at 31 December 2020 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. 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 RMB118.7 million (16.7%) from RMB709.1 million in FY2019 to RMB590.4 million in FY2020.

The Sales revenue of rigid packaging decreased by RMB80 million (17.2%) from RMB464.4 million in FY2019 to RMB384.3 million in FY2020 and the sales revenue of flexible packaging decreased by RMB38.7 million (15.8%) from RMB244.7 million in FY2019 to RMB206 million in FY2020. This is because the Chinese economy suffered a complete standstill due to the COVID-19 lockdown in the first half of FY2020. As a result, the Group's revenue declined significantly due to lower market demand. The Group managed to see some improvement of sales towards the fourth quarter of FY2020 as the pandemic is gradually under control in PRC during the second half of FY2020.

Gross Profit

The Group's gross profit decreased by RMB32.1 million (21.7%) to RMB115.6 million in FY2020 as compared to RMB147.7 million in FY2019.The gross profit margin decreased to 19.6% in FY2020 compared to 20.8% in FY2019. The gross profit decreased mainly due to the decrease in sales revenue as explained above. The gross profit margin decreased due to the increase in fixed factory overhead unit costs as a result of the decrease in sales orders. However it was partly offset by the decrease in raw material cost and the government's subsidies for workers' social security insurance and electricity charges.

Other operating income

Other operating income increased by RMB7.9 million (119.5%) from RMB6.6 million in FY2019 to RMB14.5 million in FY2020. This is mainly due to the following:
1. Sales of raw materials decreased by RMB0.7million;
2. Government grants increased by RMB4.2million;
3. Foreign currency exchange gain increased by RMB2.7 million.

Profit before Income Tax

The profit before income tax is RMB4 million in FY2020 as compared to RMB8.9 million for the previous corresponding period.

This was mainly due to:
a) Gross profit decreased by RMB32.1 million as mentioned above;
b) Other operating income increased by RMB7.9 million as mentioned above;
c) Distribution expenses decreased by RMB5.3 million mainly due to the decrease in freight charges and the sales staff expenses;

d) Administrative expenses decreased by RMB10.6 million mainly due to the decrease in R&D cost of RMB4.9 million and the absence of foreign currency exchange loss of RMB2.7 million. The operating expense also decreased due to the decrease in sales volume;
e) Finance costs decreased by RMB3.4 million mainly because the Group entered the list of national key epidemic prevention enterprises and obtained some preferential policy loans during the first quarter of FY2020.

Income Tax

Income tax credits increased by RMB0.4 million is mainly due to the tax incentives granted by local tax authority.

Current Assets

Current assets decreased by RMB0.6 million from RMB573.6 million in FY2019 to RMB573 million in FY2020. This was mainly due to the following:

a) Cash and bank equivalents decreased by RMB61.6 million (mainly due to the increase of construction cost of the APEX Tower project);
b) Trade receivables decreased by RMB24.9 million due to the improvement of collection and decrease in sales;
c) Inventories increased by RMB4.4 million;
d) Property under development increased by RMB70.7 million due to the construction costs incurred for APEX Tower project during the period;
e) Other receivables and prepayment increased by RMB10.8 million mainly due to the following:

	Group 31 Dec 2020 RMB'000	Group 31 Dec 2019 RMB'000
(i) Other receivables	26,068	22,961
(ii) Advances to suppliers	24,712	17,018
Total	50,780	39,979

(i) Other receivables comprise mainly utilities deposits, rental deposits, value-added taxes recoverable and deposits for customs duties.It increased by RMB3.1 million mainly due to the increase in value-added taxes recoverable related to Apex Tower project.
(ii) Advances to suppliers increased by RMB7.7 million.

Non-Current Assets

Non-current assets decreased by RMB32.6 million (6%) to RMB513.6 million from RMB546.2 million mainly due to the decrease in purchase of PPE and depreciation charges during the year.

Current Liabilities

Current liabilities decreased by RMB14.9 million from RMB411.8 million to RMB396.9 million mainly due to the following:

- Trade payables decreased by RMB20.6 million mainly due to the decrease in purchase volumes following the decrease in sales orders;

- Short-term bank borrowings increased by RMB10.3 million mainly due to the preferential policy loans obtained during the period;
- Other payables decreased by RMB3.1 million mainly due to the following:

	Group 31 Dec 2020 RMB'000	Group 31 Dec 2019 RMB'000
(i) Accrued expenses	18,779	21,924
(ii) Other payables	8,568	7,412
(iii) Advances to customers	7,484	8,633
Total	34,831	37,969

Non-Current Liabilities

Long-term liabilities decreased by RMB22 million (14.6%) from RMB151.2 million to RMB129.2 million mainly due to partial repayment of the construction loan obtained for the development of Apex Tower project.

The Consolidated Statement of Cash Flows

In FY2020, the Group recorded cash flows used in operating activities of the Group amounted to RMB7.9 million as compared with net cash flows generated of RMB2.7 million in FY2019 mainly due to

a) operating cash flows (before working capital changes) amounted to RMB80 million;
b) Cash outflows from property under development amounted to RMB64.7 million;
c) Cash outflows from Inventories amounted to RMB4.4 million;
d) Cash generated from trade and other receivable amounted to RMB10.7million
e) Cash outflows from trade and other payables amounted to RMB27.9 million;
f) Cash outflows from income tax paid amounted to RMB1.7 million.

The net cash used in investing activities had decreased by RMB3.7 million from RMB29.8 million in FY2019 to RMB26.1 million in FY 2020 mainly due to decrease in purchase of property, plant and equipment.

The Group recorded a net cash outflow in financing activities amounting to RMB26 million in FY2020 as compared with a net cash inflow amounting to RMB86.8 million in FY2019. It was mainly due to decrease 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.

The global pandemic has brought a huge uncertainty to the economic condition. The Group had operated under difficult economic conditions during the past 12 months, in the face of the lower demand from customers for existing products on the one hand and increased labor and fixed overhead costs on the other hand.

The Group will continue to pursue its strategy of automation and product innovation, optimize production efficiency as well as working with customers to develop new products using recycled and biodegradable materials which will be the future trend of the packaging industries.

The Group's property development in Sanlong Bay, Sanshan district is progressing according to schedule and is expected to complete construction in the third quarter of FY2021. The project is now named "Apex Tower" which consists of two main buildings and four subsidiary buildings and we had obtain the sales permit for one of the main building. The municipal government has announced its intention to build subway stations near our development and there are plans to develop Sanlong Bay area into a high end innovation zone. The Group will finalize the marketing strategy relating to this property development and seek the most opportune time to launch the sale of the project.

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 2020 as follows:

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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

The Group had declared a First and Final dividend of S$0.0025 per share for the financial year ended 31 December 2019.

(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 2020 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 Rule 920) FY2020	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000) FY2020
Guangdong Xing Hua Health Drink Co. Ltd(1)	RMB1,832,940 (S$371,688)	-
Mai Shu Ying ,Pan Shun Ming(2)	RMB824,367 (S$167,167)	-
Foshan Unibott Technology Limited(3)	RMB1,480,053 (S$300,128)	-
Shan Shine Asset Management Co., Limited(4)	RMB3,510,068 (S$711,836)	-

(1) Rental payment to Guangdong Xing Hua Health Drink Co. Ltd, an associate company 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. ("**Foshan SP**"), a wholly-owned subsidiary of the Company.
(2) Rental payment for office occupied by Southern (HK) Packaging Company Limited ("**SP HK**"), a wholly-owned subsidiary of the Company.
(3) Supply of products by Foshan SP to Foshan Unibott Technology Limited, an associate company of Pan Zhaojin (substantial shareholder).
(4) Supply of products by Shan Shine Asset Management Co., Limited, an associate company of Pan Shun Ming (Executive Chairman, CEO and Substantial Shareholder) and Pan Zhaojin (Substantial Shareholder) to Foshan SP and SP HK.

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.

	Rigid packaging		Flexible packaging		Property Under Development		Consolidated	
RMB'000	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE								
External sales	384,354	464,413	206,028	244,653	-	-	590,382	709,066
RESULTS								
Segment gross profit	83,268	100,273	32,358	47,387	-	-	115,626	147,660
Allocated expenses	(71,525)	(77,913)	(33,426)	(39,772)	(218)	-	(105,169)	(122,913)
Allocated income	784	1,985	1,607	793	-	-	2,391	2,778
Segment result	12,527	24,345	540	8,408	(218)	-	12,848	27,525
Unallocated expenses							(6,396)	(4,560)
Unallocated income							10,980	3,217
Interest income							1,109	603
Interest expense							(14,556)	(17,930)
Profit before income tax							3,985	8,855
Income tax credits							746	370
Profit for the financial year attributable to owners of the Parent							4,731	9,225
ASSETS								
Segment assets	500,013	531,856	213,815	229,309	241,444	170,696	955,272	931,861
Unallocated corporate assets							131,364	187,864
Consolidated total assets							1,086,636	1,119,725

RMB'000	Rigid packaging 2020	Rigid packaging 2019	Flexible packaging 2020	Flexible packaging 2019	Property Development 2020	Property Development 2019	Consolidated 2020	Consolidated 2019
Segment liabilities	78,679	96,034	51,083	54,753	108,095	128,625	237,857	279,412
Unallocated corporate liabilities							288,204	283,598
Consolidated total liabilities							526,061	563,010

Other Segment Information

RMB'000	Additions to non-current assets 2020	Additions to non-current assets 2019	Depreciation and amortisation 2020	Depreciation and amortisation 2019
Rigid packaging	24,102	35,615	43,398	45,115
Flexible packaging	4,284	3,684	19,768	19,642
Unallocated segments	-	-	1,095	1,054
	28,386	39,299	64,263	65,811

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:

RMB'000	Revenue 2020	Revenue 2019	Non-current assets 2020	Non-current assets 2019
PRC	559,452	671,528	586,044	541,979
America	1,889	4,709	-	-
Netherlands	1,214	3,401	-	-
Australia	12,705	11,021	-	-
Others	15,122	18,407		-
Total	590,382	709,066	586,044	541,979

Information about major customers

Included in revenues arising from rigid packaging and flexible packaging are revenues of RMB121,863,749 (2019: RMB178,960,007) and RMB8,651,662 (2019: RMB 15,348,893) 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.

Revenue in FY2020 had weakened due to the outbreak of Covid-19 in FY2020.

17. A breakdown of sales as follows:

	Group		
	2020	2019	+/(-)
	RMB'000	RMB'000	%
Sales reported for first half year	259,127	323,433	(19.8)
Operating (loss)/profit after tax reported for first half year	(5,082)	1,004	NM
Sales reported for second half year	331,255	385,633	(14)
Operating profit after tax reported for second half year	9,813	8,221	19

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

	2020	2019
	SGD'000	SGD'000
Ordinary		
Interim	-	-
Final	176	176
Total	176	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) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

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	39	Son of Mr Pan Shun Ming, the Executive Chairman and CEO, and substantial shareholder of the Company; and Madam Mai Shuying, the substantial shareholder of the Company	Vice President (Property Development) since 14 October 2019 - responsible for overseeing for the property development activities of the Group's property investment.	No change
Mai Shuying	64	Spouse of Mr Pan Shun Ming, the Executive Chairman and CEO, and substantial shareholder of the Company	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.	No change

BY ORDER OF THE BOARD

Mr. Pan Shun Ming
Executive Chairman and Chief Executive Officer
March 1, 2021