



**Southern packaging**



# UNITING STRENGTHS DELIVERING RESULTS

ANNUAL REPORT 2025



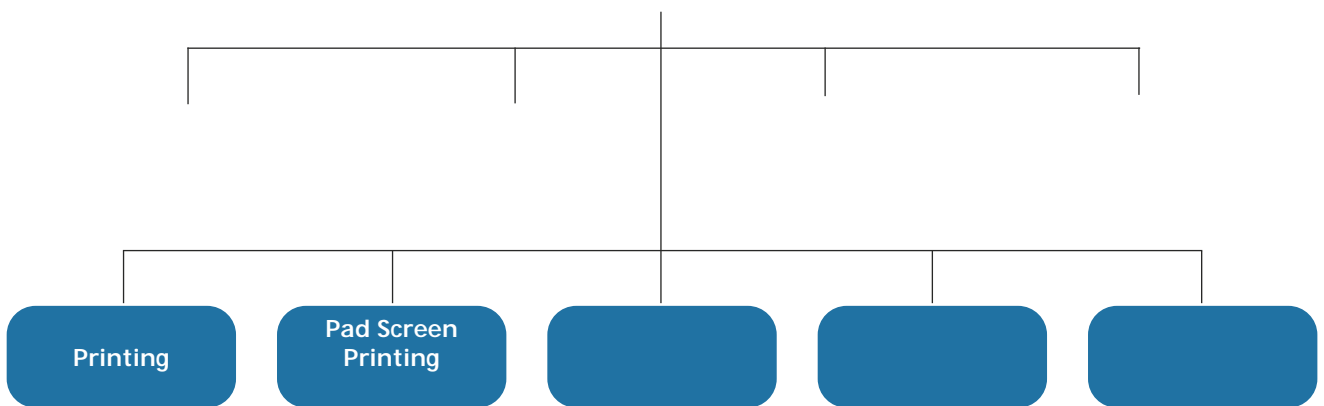
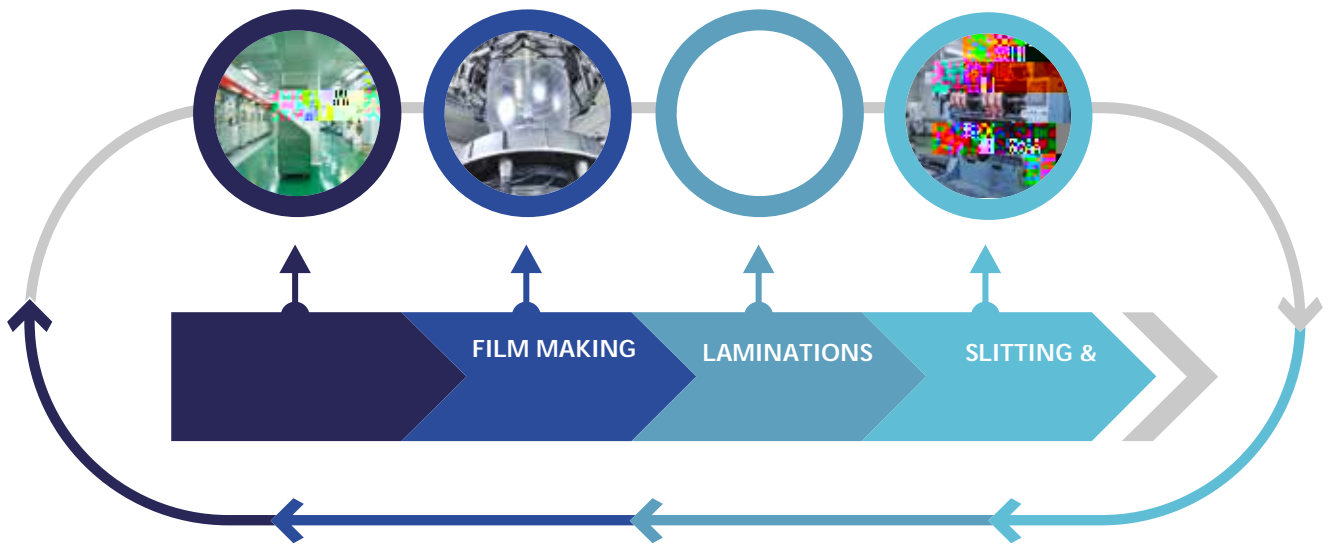
# CORPORATE CULTURE

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# CORPORATE PROFILE

“Group”) is a producer of flexible and rigid packaging products used in the food, medical, personal grooming and



**CHAIRMAN'S  
MESSAGE**

“

”

# CHAIRMAN'S MESSAGE

effectively to leading brand customers' ongoing packaging

the packaging industry further intensified competition  
the Group remained focused on operational efficiency,  
maintaining a prudent financial strategy and progressing

flexible pricing and dedicated promotional efforts, with

Gross profit was RMB113.3 million (FY2024: RMB125.0  
million (FY2024: RMB11.0 million). These results reflected

in orders in the first quarter of FY2026, with short-  
term operating and financial performance showing

continue to strengthen supplier diversification and

efficiency.

operational efficiency, cost and cash flow management,

Executive Chairman  
Southern Packaging Group Limited

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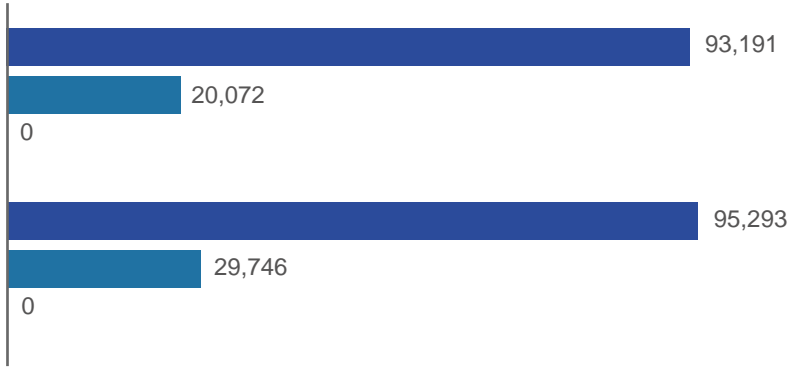
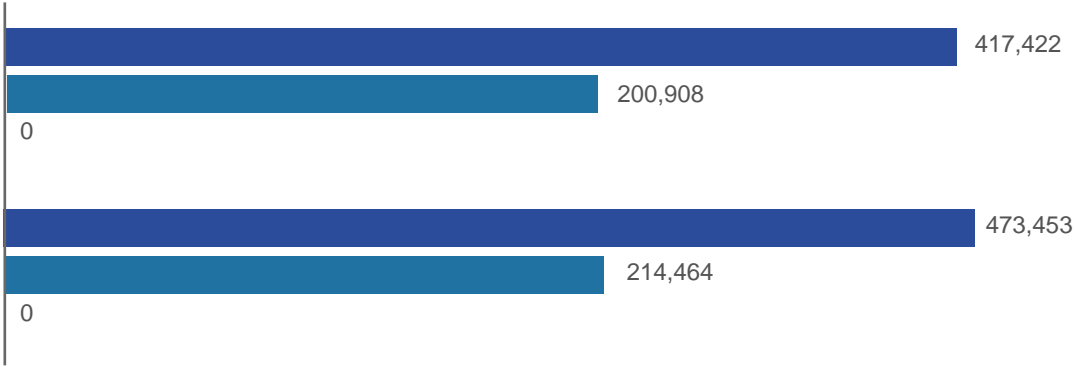
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# FINANCIAL HIGHLIGHT



■ Rigid Packaging     
 ■ Flexible Packaging     
 ■ Property Development

	2025	2024
Gross Profit		

# OPERATIONS AND FINANCIAL REVIEW

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

By Business Segments	2025		2024		Change
		%		%	

By Business Segments	2025		2024		Change
		%		%	

	2025		2024		Change
		%		%	

## DIRECTORS



### PAN SHUN MING

#### Executive Chairman and Chief Executive Officer

Mr. Pan is our Executive Chairman, Chief Executive Officer and the co-founder of our Group. He is responsible for our Group's overall business strategies and policies. With over 40 years of distinguished experience in the packaging industry, he oversees the Group's vision and corporate governance, guiding its business philosophy and long term direction. Earlier in his career, Mr. Pan held several notable positions including Vice Chairman of the Nanhai Printing and Packaging Association (2000), Foreign Investment Consultant to the Nanhai People's Government (2001), and Council Member of the PRC's National Entrepreneur Association (2000), recognition of his entrepreneurship and management expertise.

### CHEN XIANG ZHI

#### Executive Vice Chairman

Mr. Chen, the Executive Vice Chairman, joined our Group on 26 January 2010. He is responsible for assisting the Executive Chairman and Chief Executive Officer for the development of the business strategies direction and planning for the Group. Mr. Chen has more than 20 years of experience in large-scale enterprise management and is very experienced and good at capital operations. He joined Guangzhou Wanglaoji Pharmaceutical Company Limited as the Chairman & General Manager in 1998 and then Guangzhou Pharmaceutical Holdings Limited, a public listed company in China, as Managing Director in 2000. He was appointed as the Managing Director of Guangzhou Baiyunshan Pharmaceutical Co., Ltd, also a listed company in China in 2001. Mr. Chen was then appointed as the Deputy Managing Director of Guangzhou Light Industry & Trade Group Ltd; Chairman of Guangzhou Lonkey Co., Ltd (a listed company in China); Vice Chairman of MeadJohnson Nutrition (China) Co., Ltd, as well as Vice Chairman of Guangzhou Pacific Tinplate Co., Ltd since 2004.

### CHAN KAM LOON

#### Lead Independent Director

Mr. Chan was appointed as an Independent Director of our Company on 1 August 2023 and assumed the role of Lead Independent Director on 1 May 2024. Mr. Chan holds a degree in Accounting and Finance from the London School of Economics and is a member of the Institute of Chartered Accountants in England and Wales. He has many years of experience in accounting and audit with KPMG London and PWC Singapore, investment banking with Morgan Grenfell Asia and HG Asia Securities and was a director of private equity investments at Suez Asia Holdings. Mr. Chan was head of the Listings Function of Markets Group at the Singapore Exchange for 3 years. Mr. Chan has also served on the Singapore's Accounting Standards Committee, Singapore Zhejiang Business Council and also Singapore Shandong Business Council as well as non-executive director of National Volunteer Philanthropy Centre and Vision Fund, the international micro finance arm of global charity World Vision. He also serves as independent director of several other SGX listed companies.

## DIRECTORS



**WU GENG**  
Independent Director

Mr. Wu was appointed as an Independent Director of our Company on 1 January 2024. He has practised with Drew & Napier LLC since April 2008, and has been a Director at Drew & Napier LLC since May 2016. His areas of practice include corporate finance, mergers & acquisitions, capital markets, and general corporate legal advisory work. He has over 25 years' experience in legal practice. He started his career as a Judicial Clerk with the Supreme People's Court of the PRC, where he was mainly responsible for reviewing legal cases, conducting legal research and drafting legal documents, for several years before joining the private sector. Mr. Wu is an Independent Director of Sasseur Asset Management Pte. Ltd., as Manager of Sasseur Real Estate Investment Trust (listed on the Mainboard of the Singapore Exchange). Mr. Wu graduated with an LLB from Peking University (also known as Beijing University) and received his post-graduate degrees in Singapore and in the USA and was admitted as an advocate and solicitor of the Supreme Court of Singapore.



**CHRISTOPHER LOW**  
Independent Director

Mr. Christopher Low was appointed as an Independent Director of the Company on 1 November 2024. He is the founder and CEO of Clio Brands Library, a collective of brands that merges art with industrial products. He began his career with Arthur Andersen's Capital Markets team. From 2022 to 2024, he served as the Executive Director of Reimagine Digital Ventures Group in Hong Kong, leading investments in and the incubation of early-stage digital start-ups. He was also the Founding President & Managing Director of Protiviti Greater China and the global leader for management consulting methodology and led the Asia Pacific solutions strategy. He was named one of the "Top 50 Under 50 Business Elites in China 2012". Mr. Christopher Low holds a Bachelor of Accountancy (Hons) from Nanyang Technological University and completed Advanced Management Program (AMP) at Harvard Business School. He is a member of the Institutes of Chartered Accountants in Singapore and Australia and a Certified Internal Auditor. Currently, he is the Vice-President of the Harvard Business School Club of Shanghai and serves as an Independent Director of CITIC-Prudential Life Insurance Co., Ltd. Beyond his professional endeavors, Mr. Christopher Low is passionate about promoting the arts and supporting left-behind children in rural China.

# KEY MANAGEMENT

## 潘 皓 宇 先 生 的 履 历 概 况

Mr. Pan is our Deputy Chief Executive Officer, appointed on 13 January 2025. Previously serving as Vice President

Executive Officer to formulate and implement corporate strategy and operational initiatives. Mr. Pan holds an IMBA degree from Sun Yat-sen University. He first joined our Group in 2007 as a Chief Executive Officer assistant and progressed to Vice General Manager in 2009, where he primarily responsible for Human Resource Management

relinquished his position, Mr. Pan was appointed as our Deputy Chief Operating Officer in February 2017, a role he

## 麦 太 太 的 履 历 概 况

Madam Mai is our Chief Financial Officer and the co-founder of our Group. Madam Mai founded our Group together charge of our Group's finance department and is responsible in managing financial matters, in particular, overseeing

## 李 志 的 履 历 概 况

Mr. Li, the Chief Operating Officer, joined our Group in 2002. Mr. Li was our Executive Director from February 2011

Assistant to the President in 2004 and then Deputy General Manager in July 2006, mainly responsible for sales and

# KEY MANAGEMENT

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## Financial Controller

Mr. Li is the Group Financial Controller of the Company, appointed on 6 June 2025. He is responsible for overseeing the financial reporting and accounting functions of the Company and its subsidiaries.

of the Association of Chartered Certified Accountants (ACCA). He has been with Southern Packaging Group Limited supporting financial and cost accounting functions across the Group's subsidiaries. He was appointed Deputy Finance Controller in 2020, prior to his current role, where he supported the Chief Financial Officer and Group Financial Controller in key financial functions, including budgeting, cash flow planning and risk management.

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F: +65 6438 8710

**AUDIT COMMITTEE**

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&KDLUPDQ

Partner-in-charge: Lee Kuang Hon

(Appointed since the financial year ended

**NOMINATING COMMITTEE**

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# CORPORATE GOVERNANCE REPORT

The Board of Directors (the “ Board ”) of Southern Packaging Group Limited (the “ Company ” and together with its subsidiaries, the “ Group ”) is committed to setting and maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and protect and enhance long-term shareholder value.

This report outlines the Company’s corporate governance practices that were in place during financial year ended 31 December 2025 (“ FY2025”), with specific reference to the Principles and Provisions of the Code of Corporate Governance (the “ Code”) issued by the Monetary Authority of Singapore on 6 August 2018 and amended on 11 January 2023.

The Company is required under Rule 710 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) to describe in this Annual Report its corporate governance practices with reference to both the Principles and Provisions of the Code and how the Company’s practices conform to the Principles of the Code. Compliance with, and observation of, the Principles is mandatory and variations from Provisions are explained appropriately in this Annual Report.

## BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1 The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

### Role of the Board

The Board is entrusted with and has the responsibility for the overall management of the Group. It establishes the corporate strategies of the Group, sets direction and goals for the executive management. It supervises executive management and monitors performance against these goals to enhance shareholders’ value. The Board is responsible for the overall corporate governance of the Group to ensure the Group’s strategies are in the interests of the Group and its shareholders.

The principal functions of the Board apart from its statutory responsibilities are:

- (a) to provide entrepreneurial leadership; approve the strategic objectives, corporate policies and authorisation matrix of the Company; and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- (b) to oversee the processes for risk management, financial reporting and compliance and evaluate the adequacy of internal controls; approve annual budget, key operational matters, major acquisition and divestment proposals, and major funding proposals of the Company;
- (c) to assume responsibility for corporate governance framework of the Company and establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and Company’s assets;
- (d) to monitor and review management performance;
- (e) to identify the key stakeholder groups and recognise that their perceptions affect the Company’s reputation;
- (f) to set values and standards (including ethical standards) of the Company and ensure that obligations to shareholders and others are understood and met; and
- (g) to promote corporate social responsibilities throughout the Group and include environmental and social factors as part of its strategic formulation.

# CORPORATE GOVERNANCE REPORT

Directors understand their duties under the law (including their roles as executive, non-executive and independent directors), which include acting in good faith and in the best interests of the Company; exercising due care, skills and diligence; and avoiding conflicts of interest. The Board adopted a set of ethical values and standards which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties.

## Conflict of Interest

To address and manage possible conflicts of interest that may arise between Directors' interests and those of the Group, the Company has put in place appropriate procedures which apply in addition to the Directors' obligation to comply with disclosure obligations under the Company's Constitution and Companies Act 1967 ("Companies Act"). Each Director is required to promptly disclose any conflicts or potential conflicts of interest, whether direct or indirect, in relation to any transaction or matter discussed and contemplated by the Group. The disclosure is made either during a directors' meeting or by way of a written notification to the Company Secretary containing details of the interest and the nature of conflict. Where a potential conflict of interest arises, the Director concerned will recuse himself/herself from participating in any discussions, abstain from voting on the matter and refrain from exercising any influence over other members of the Board.

## Matters reserved for the Board's decisions

The Company has in place a limitation and authorisation policy. The policy contains materiality threshold(s) and a schedule of matters specifically reserved for the Board's approval. Below the Board's level, there are appropriate delegations of authority at the senior management level, to facilitate operational efficiency.

Matters and transactions that require the Board's approval include, amongst others, the following:

- z the Group's long-term objectives and commercial strategy;
- z the making of any decision to cease, to operate all or any material part of the business of the Group or to venture into new business;
- z merger and amalgamation initiatives;
- z

# CORPORATE GOVERNANCE REPORT

## Board induction and training

All new Directors will receive a formal letter of appointment setting out duties, responsibilities and obligations as a Director including pertinent obligations under the Companies Act, the Securities and Futures Act 2001 (“ Securities and Futures Act ”), Listing Rules and the Code.

The Board recognises the importance of appropriate training for its Directors. The NC will ensure that any new Director who has no prior experience as a director of an issuer listed on the SGX-ST undergoes mandatory training as prescribed by the SGX-ST. The Company will arrange an orientation program (including onsite visits, if necessary) to new Directors to enable them to familiarise themselves with the Group’s business and governance practices. They will also be briefed on the relevant regulations, share dealing policy of the Company, and their notification obligations under the Companies Act and Securities and Futures Act. The Directors will be given access to the Board resources, including the Company’s constitutional and governing documents, Board and each Board Committee’s terms of reference, annual reports, board meeting papers and other pertinent information for their reference.

The Company does not have a formal training program for the Directors. However, the Board encourages Directors to attend training programmes and seminars conducted by the Singapore Institute of Directors (“ SID”). All Directors have attended the Environmental, Social and Governance Essentials (Core) Seminar conducted by SID. Mr Low Chian Sin, an Independent Director appointed on 1 November 2024, completed the BOD Masterclass Programme within one (1) year of his appointment. In FY2025, Mr Low also visited the Group’s production facility in Gao Ming and Apex Tower to better understand the Group’s production processes. The Company will continue to keep Directors informed of suitable seminars, conferences and training courses and encourage them to attend such programmes at the Company’s expense. By doing so, this will assist the Directors in developing their skills and knowledge, enabling them to fulfil their obligations to the Company and effectively discharge their duties as Directors. The Company recognises the importance of providing Independent Directors with an understanding of the Group’s operations and facilities. Most Audit Committee (“ AC”) and Board Meetings are held at the Group’s headquarter in Foshan, China. If required, Management will arrange site visits to the other production facilities for the Independent Directors especially newly appointed Directors. The visits provide insights into the Group’s operational landscape, opportunities to meet key personnel and a better understanding of the Group’s production processes. The AC and the Board also received briefings and updates during the meetings from the Company’s external auditors, Company Secretary and Management respectively on (a) developments in accounting and governance standards, in particular changes of the Singapore Financial Reporting Standards (International) relevant to the Group; (b) amendments to the SGX-ST Listing Manual; and (c) strategic and business developments of the Group and any changes to commercial risks. The Directors can also request further explanations, briefings or information on any aspects of the Company’s operations and business issues from the Management.

Updates on the relevant legal, regulatory and technical developments may be in writing or disseminated by way of briefings, presentations and/or handouts on a timely basis. Where necessary, the Company arranges for presentations by external professionals, consultants and advisers on topics that would have an impact on the relevant regulations, accounting standards, and the implications on responsibilities of the Directors.

## Delegation by the Board

The Board is supported by three (3) Board Committees to assist the Board in discharging its responsibilities and to enhance the Group’s corporate governance framework. The Board Committees include the AC, NC and Remuneration Committee (“ RC”) (collectively, the “ Board Committees ”). Each Board Committee is chaired by an Independent Director. These Board Committees function within clearly defined terms of reference which set out the composition, authorities and duties, required quorum, conduct of meetings and accountability, and are reviewed regularly to ensure their continued relevance.

The Board accepts that while these Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, ultimate responsibility for all matters lies with the Board.

The names of the members, and the principal roles and responsibilities of respective Board Committees are set out in this Annual Report.

# CORPORATE GOVERNANCE REPORT

## Meetings and attendance

The Board meets on a regular basis to receive reports from Management on the Group's performance and financial results and as and when necessary to address any specific significant matters that may arise. To ensure meetings are held regularly with maximum Directors' participation, the Company's Constitution allows Directors to participate at Board meetings by telephone or video-conference or other similar communication equipment which will permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Dates of the Board meetings, Board Committees meetings and annual general meetings ("AGM") are scheduled in advance in consultation with all Directors. The Board and Board Committees also approve transactions by way of written resolutions, which are circulated to the Board and Board Committee members together with all relevant information regarding the proposed resolutions/transactions.

Details of the Directors' attendance at Board and Board Committee meetings as well as at the AGM held during FY2025 are as follows:

	Board	AC	NC	RC	AGM
No. of meetings held	4	4	1	1	1
	Number of meetings attended				
Pan Shun Ming	4	4 <sup>(1)</sup>	1 <sup>(1)</sup>	1 <sup>(1)</sup>	1
Chen Xiang Zhi	4	4 <sup>(1)</sup>	1 <sup>(1)</sup>	1 <sup>(1)</sup>	1
Chan Kam Loon	4	4	1	1	1
Wu Geng	4	4	1	1	1
Low Chian Sin	4	4	1	1	1

Notes:

<sup>(1)</sup> Attended as an invitee.

## Access to complete, adequate and timely information

Management ensures that all Directors receive relevant, complete, adequate and timely information on the Group's affairs on an ongoing basis to facilitate informed decision-making and effective



# CORPORATE GOVERNANCE REPORT

The Board, taking into account the views of the NC and the independence confirmation submitted by Mr Chan, Mr Wu and Mr Low (collectively, “Independent Directors”), is of the view that each of them is independent on the following basis:

- (a) the Independent Directors (i) are not or have not been employed by the Company or any of its related corporations in the current or any of the past three (3) financial years; and (ii) do not have an immediate family member who is employed or has been employed by the Company or any of its related corporations in the current or any of the past three (3) financial years, and whose remuneration is determined by the RC.
- (b) none of the Independent Directors and their immediate family member had in the current or immediate past financial year (i) provided or received payments to and/or from the Group when aggregated over any financial year in excess of S\$50,000 for any significant payment or material services other than compensation for board service; or (ii) was a substantial shareholder, partner, executive officer or a director of any organisation which provided or received significant payments or material services to and/or from the Group when aggregated over any financial year in excess of S\$200,000 for services rendered.
- (c) none of the Independent Directors and their immediate family member is directly associated with a substantial shareholder of the Company.

There were no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

Each member of the NC and of the Board recused himself from deliberations in respect of the assessment of his independence.

## Board Size and Composition

The NC and the Board examine the present size and composition of the Board and Board Committees, taking into account, inter alia, the scope and nature of the Group’s business and operations, and the benefits of all aspects of diversity, including but not limited to gender, age, and professional experience in order to provide the Board access to an appropriate range, balance and mix of skills, knowledge, experience and backgrounds. No appointment to the Board shall be based on race, language or gender, but rather on the merits of the selected candidate, the needs of the Board and the potential contributions that the selected candidate can bring to the Board.

The Board, in concurrence with the NC, is satisfied that the present size of five (5) Directors, ranging in age from 54 to 69 and of diverse nationalities, (i) is appropriate and, with their diversified backgrounds and experience, provides core competencies such as finance, accounting, legal, business management, industry knowledge, risk management and strategic planning experience for the effective functioning of the Board, and is appropriate for the current scope and nature of the operations of the Company’s operations; and (ii) facilitates effective decision making and ensure a balance of power so that no individual or group of individuals dominates the Board’s decision-making process.

## Board Diversity

The Company has adopted a formal Board Diversity Policy, which emphasises the importance of having a Board of an appropriate size where no individual or group dominates decision-making. The policy ensures that director nominations are based on meritocratic approach, prioritising a complementary mix of skills, core competencies, and experience, such as accounting or finance, business management, legal expertise, and industry knowledge, to enhance the Board effectiveness. Diversity considerations extend beyond gender to include professional background, age, and tenure to foster robust governance.

# CORPORATE GOVERNANCE REPORT

The Board has taken the following steps to maintain or ensure balance and diversity:

- (a) Annual review – the NC evaluates whether the Directors' collective attributes and competencies align with the Company's strategic needs.
- (b) Skills gap analysis – peer assessments are conducted to identify expertise gaps and ensure that the Board remains appropriately equipped with the necessary competencies.
- (c) Structured Board and Board Committees renewal – the NC reviews Board and Board Committees size and composition annually, taking into account, inter alia, the scope and nature of the Group's business and the benefits of all aspects of diversity based on its Policy, including but not limited to gender, age, and professional experience, to ensure dynamic and effective governance structure.

The Company does not currently set a specific target for female representation on the Board, but the NC will consider gender diversity when reviewing Board composition. Following the resignation of Madam Mai Shuying as Director in FY2019, the Board currently has no female Directors.

While the NC recognises the merits of gender diversity to the Board composition, it acknowledges that it is only one aspect of broader diversity framework. The NC will continue to consider suitable candidates through a rigorous merit-based selection process that prioritises the Company's strategic needs, with decisions grounded in objective assessment criteria and conducted in a manner that is both equitable and non-discriminatory. Candidate evaluation emphasises (i) strategic fit to the Company's evolving business needs; (ii) potential to enhance Board dynamics; and (iii) alignment with the Board Diversity Policy, including professional qualifications, skills, knowledge and experience. The Board believes that diversity extends beyond gender and includes diversity in skills, experience, industry knowledge and perspectives. Such diversity helps to guard against groupthink and foster robust and constructive debate, leading the Board to make well-considered decisions in the best interests of the Company.

To ensure continuity and the introduction of fresh perspectives, the Board has implemented a structured succession plan since 2023, which has been carried out in an orderly and progressive manner. This began with Mr Chan's appointment on 1 August 2023, followed by Mr Wu on 1 January 2024 and Mr Poon on 1 May 2024. Mr Poon stepped down on 4 September 2024 due to his professional commitment and the Company appointed Mr Low on 1 November 2024 in his place. Mr David Yeung, the then Lead Independent Director and AC Chairman retired on 29 April 2024, and Mr Chan assumed these roles effective 1 May 2024. These carefully sequenced appointments and changes reflect the Board's commitment to maintaining institutional knowledge while introducing new expertise and perspectives. Incoming Directors were appointed based on the strengths of their calibre, experience and stature and ability to contribute meaningfully to strategic development. There were no new Directors appointed during FY2025.

As at the date of this report, none of the Independent Directors has served on the Board for nine (9) years. The Company will monitor the tenure of its Directors and, where appropriate and in a timely manner, undertake progressive Board renewal to ensure continuity and Board effectiveness.

Tenure of Service of Independent Directors as at 31 December 2025 is as described below:

Years of Service	No. of Directors
3 years or less	3
Between 4 years and 7 years	0
More than 7 years	0

# CORPORATE GOVERNANCE REPORT

The current Board comprises two (2) Executive Directors and three (3) Independent Directors, ensuring a balanced representation of leadership and independent oversight. Mr Pan and Mr Chen, as Executive Directors, provide operational expertise and industry-specific knowledge essential to steering the Group's business strategy and day-to-day management. The Independent Directors bring complementary skills that strengthen governance and strategic decision-making: (i) Mr Chan, our Lead Independent Director, AC and RC Chairman, has many years of experience in accounting, audit and investment banking, and serves as an independent director of several other listed companies in Singapore; (ii) Mr Wu, NC Chairman, whose areas of practice include initial public offerings and listings, reverse takeovers, joint ventures, mergers and acquisitions, and general corporate legal advisory, and serves as an independent director for other listed company in Singapore; and (iii) Mr Low, a chartered accountant of Singapore and Australia and certified internal auditor, enhances the Board's financial rigor and digital innovation perspective through his background in venture investment, management consulting, and technology incubation. The collective diversity, professional backgrounds and skill sets of the Directors serve to optimally support the business operations, effectiveness and sound governance of the Company. The Board's background and experience are set out in the Directors' profile.

The Company's diversity targets, plans and timelines for achieving the targets and progress towards achieving the targets are described below.

## Diversity Targets, Plans and Timelines

### Independence

To ensure that Independent Directors make up a majority of the Board and maintain such level of

## Targets Achieved/Progress



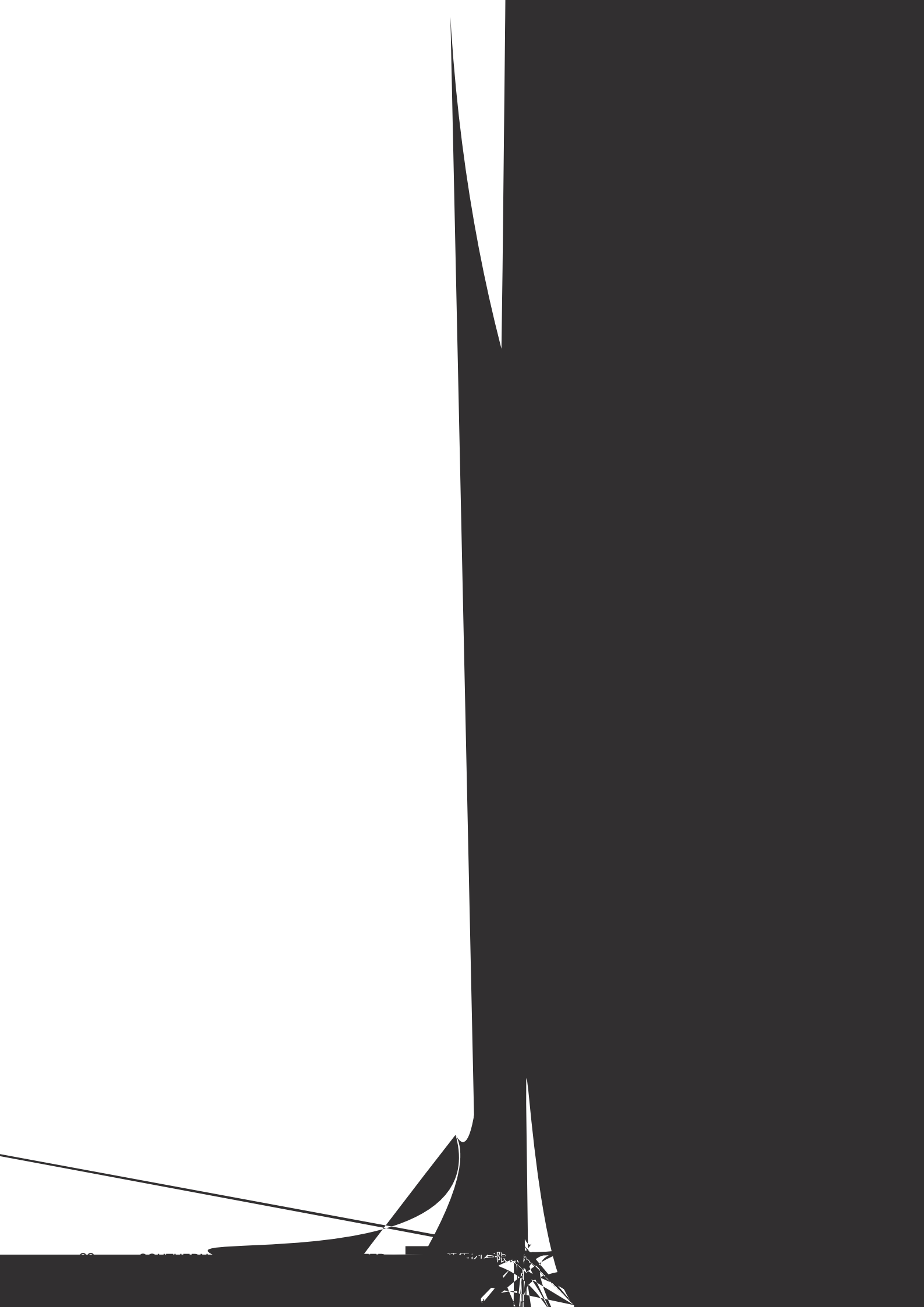
The Board has been maintaining its target of majority independent directors, with three (3) Independent Directors versus two (2) Non-Independent Directors as of 31 December 2025. Our ongoing commitment to board refreshment is demonstrated by monitoring of director tenure and succession planning to maintain the balance of independence oversight.

Directors by different  
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 board and

### The Directors' Age Group as at 31 December 2025 are:



While the Board benefits from the seasoned judgment of its experienced Directors, the NC recognises the value of generational diversity in fostering innovation, fresh perspectives, and long-term strategic thinking. The appointment of Mr Low (in group 51–60 years old) in 2024 marks a step toward rebalancing the Board's age profile. Going forward, future nominations will prioritise candidates whose experience and perspectives complement the Board's evolving needs.



# CORPORATE GOVERNANCE REPORT

During FY2025, Mr Pan, the founder and Executive Chairman, relinquished the CEO role which he had held since 2003 and Mr Shi Shaobin (“ Mr Shi ”) was appointed CEO on the same date. Mr Shi subsequently resigned as CEO on 31 August 2025 due to personal commitments, and Mr Pan was re-appointed CEO with effect from 31 August 2025.

Being CEO of the Company, Mr Pan oversees the day-to-day management and operations of the Group and is responsible for setting the Group’s overall business strategies and policies, objectives and missions, as well as executing the Board’s decision plan and driving the Group’s growth and development. Mr Pan has considerable industry experience and has also provided the Group with strong leadership and vision.

As Executive Chairman of the Company, Mr Pan is responsible for (i) ensuring the Board operates effectively, fostering robust discussions, and facilitating informed decision-making; (ii) establishing the agenda for the Board meetings in consultation with the Company Secretary, ensuring Board meetings are held when necessary, and adequate time is available for discussion of all agenda items, in particular strategic issues; (iii) reviewing the board papers in consultation with Management and ensuring that the Board receives complete, adequate and timely information to enable them to be fully cognisant of the affairs of the Group; (iv) encouraging constructive relations among the Directors and their interactions with Management; (v) promoting a culture of openness and debate at the Board; (vi) facilitating the effective contribution of all Directors; (vii) take a lead role in promoting high standards of corporate governance, with the full support of the Directors, the Company Secretary and Management and (viii) leading constructive dialogue with shareholders at AGMs to align shareholder interests with Board strategy.

While the Company has not adopted Provision 3.1 of the Code requires Chairman and CEO to be separate persons, the Board is of the opinion that the present Group structure and business scope does not warrant a meaningful



# CORPORATE GOVERNANCE REPORT

- (m) undertaking such other functions and duties as may be delegated by the Board or required by the statute or the Listing Rules and by such amendments made thereto from time to time.

During FY2025, the NC held one (1) meeting and had on various occasions used resolutions in writing to resolve certain decisions which are then recommended to the Board.

## Process of Selection, Appointment and Re-appointment of Directors

The Company has in place procedures for the appointment of new Directors to the Board, including a search and nomination process.

The NC reviews the need for the appointment of additional director(s) and the composition of the Board, including the mix of expertise, skills and knowledge, so as to identify desired competencies to complement and strengthen the Board and increase its diversity.

The search for a suitable candidate is drawn from the network of contacts or approach relevant institutions such as the SID, professional organisations or business federations. Potential candidate is identified based on the needs of relevant skills, experience, knowledge, diversity and expertise. Existing Directors may also put forward names of potential candidates, together with their curriculum vitae, for the NC's consideration. The NC, after completing its assessment, meets with the short-listed candidate to assess their suitability taking into consideration the existing composition of the Board and strives to ensure that the Board has an appropriate balance of independent directors as well as background, qualification and experience of each candidate and other factors such as age and gender that would contribute to the Board's collective skills and expertise, his/her ability to increase the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives and to ensure that the candidates are aware of the expectations and the level of commitment required of them. The NC makes recommendations to the Board for approval via Circular Resolutions or at board meetings.

The NC recommends re-elections of Directors for approval by the Board, taking into account the Directors' overall contributions and performance and an appropriate mix of core competencies for the Board to fulfil its roles and responsibilities. The Company's Constitution requires that one-third (1/3) of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third (1/3) with a minimum of one (1)) shall retire from office by rotation and that all Directors shall retire from office once every three (3) years. A retiring Director shall be eligible for re-election. Mr Chan and Mr Wu will be retiring by rotation at this forthcoming AGM, and they being eligible, have consented to seek for re-election.

The Company's Constitution further provides that any person appointed by the Directors either to fill a casual vacancy or as an additional director during the year will hold office only until the next AGM and will be eligible for re-election but shall not be taken into account in determining the number of directors retiring by rotation at such meeting.

The NC has recommended to the Board that Mr Chan and Mr Wu be nominated for re-election at the forthcoming AGM of the Company. In evaluating each Director's contributions and performance for the purpose of re-nomination, the NC and the Board has considered the said Director's overall competencies, commitment, experience, contributions, performance and other factors such as attendance, preparedness, participation, independence and candour are taken into consideration. The Board recommends the shareholders to approve the re-election of the said Directors. Details of the proposed resolutions are stipulated in the Notice of AGM and additional information of Mr Chan and Mr Wu as set out in Appendix 7.4.1. to the Listing Manual pursuant to Rule 720(6) of the Listing Manual is enclosed under section titled "Additional Information on Directors Seeking Re-election" in this Annual Report.

Each member of the NC has abstained from voting on any resolutions and making recommendation and/or participating in respect of matters in which he has an interest.

# CORPORATE GOVERNANCE REPORT

## Independence of Directors

As mentioned under Principle 2 above, the NC also reviews the independence of the Independent Directors annually. The NC has ascertained that Mr Chan, Mr Wu and Mr Low are independent and are able to exercise independent judgement on the corporate affairs of the Group, independent of the Management.

## Multiple Directorships

All Directors declare their board membership as and when practicable.

During FY2025, the NC has ascertained that all Directors, including those who have other listed company board representations and/or principal commitments, have devoted sufficient time and attention to the Group's affairs and have discharged their duties and responsibilities adequately. The Board and NC take into account the Directors' actual conduct on the Board, in making this determination. As time requirements of each director are subjective, the Board and NC have decided not to fix a maximum limit on the number of directorships a director can hold. The Board and NC consider that the multiple board representations held presently by its Directors do not impede their respective performance in carrying out their duties to the Company. The NC is also of the view that its assessment of a director's ability to devote sufficient time to the discharge of his or her duties should not entail a restriction on the number of other board commitments or their other principal commitments.

The listed company directorships and principal commitments of each Director are set out below:

Director	Position	Present directorship in other listed companies	Present principal commitments*
Mr Pan	Executive Chairman and CEO	Nil	<u>Subsidiaries of Company</u> <ul style="list-style-type: none"> <li>z Southern Packaging (Jiangsu) Co., Ltd.</li> <li>z Foshan Nanxin Packaging Co., Ltd.</li> <li>z Southern (HK) Packaging Co., Ltd.</li> <li>z Foshan Southern Packaging Co., Ltd.</li> </ul> <u>Other corporations</u> <ul style="list-style-type: none"> <li>z Foshan Jia Xun Real Estate Co., Ltd.</li> <li>z Energetic Holdings Limited</li> <li>z Striving Asset Management Co., Ltd.</li> <li>z Foshan Jia Bang Real Estate Co., Ltd.</li> <li>z Thrive United Holdings Ltd.</li> <li>z Cappella Holding Pte. Ltd.</li> <li>z Shan Shine Asset Management Co., Ltd.</li> <li>z Stable Growth Investment Co., Ltd.</li> <li>z Foshan Shan Shine Corporate Advisory Co., Ltd.</li> <li>z Foshan Ying Feng Real Estate Co, Ltd.</li> <li>z Nanhai 4 Pte. Ltd.</li> </ul>

# CORPORATE GOVERNANCE REPORT

Director	Position	Present directorship in other listed companies	Present principal commitments*
Mr Chen	Executive Vice Chairman	Nil	<ul style="list-style-type: none"> <li>z Stable Growth Investment Ltd.</li> <li>z Foshan Jia Bang Real Estate Co., Ltd.</li> <li>z Thrive United Holdings Ltd.</li> <li>z Foshan Shan Shine Corporate Advisory Co., Ltd.</li> <li>z Foshan Ying Feng Real Estate Co., Ltd.</li> <li>z Foshan Jia Bei Le Property Management Co., Ltd.</li> </ul>
Mr Chan	Lead Independent Director	<ul style="list-style-type: none"> <li>z Alpha DX Group Limited (in liquidation)</li> <li>z Uni-Asia Group Limited</li> </ul>	Nil
Mr Wu	Independent Director	Sasseur Asset Management Pte. Ltd. (as Manager of Sasseur Real Estate Investment Trust)	<ul style="list-style-type: none"> <li>z Drew &amp; Napier LLC, Singapore</li> <li>z Chalco Trading Singapore Pte. Ltd.</li> <li>z Chalco International Trading Mineral Resources Pte. Ltd.</li> </ul>
Mr Low	Independent Director	CITIC Prudential Life Insurance Co., Ltd.	<ul style="list-style-type: none"> <li>z Harvard Business School Club of Shanghai</li> <li>z Clio Brands Library Pte. Ltd.</li> <li>z Cadenza (Shanghai) Art Technology Co., Ltd.</li> </ul>

\* "Principal Commitments" as defined in the Code include all commitments which involve significant time commitment such as full time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

## Alternate Director

There is no Alternate Director appointed to the Board.

## Board Performance

Principle 5            The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual director.

## Board, Board Committees and Individual Director Assessments

The Board has established and implemented processes to be carried out by the NC for monitoring and evaluating the performance and effectiveness of the Board as a whole, the Board Committees and contribution of individual Directors.

The evaluation of the Board is conducted annually based on objective performance criteria proposed by the NC and approved by the Board. The assessment covers areas such as Board Structure, Board Process, Board Committees' performance and effectiveness, Information to the Board, Board Accountability, CEO/Top Management, Standards of Conduct, Board Risk Management and Internal Controls and Communication with Shareholders. As part of the process, the Directors will complete appraisal forms which are collated by the Company Secretary. The Company Secretary will then consolidate and present the results of the appraisal to the Chairman of the NC who will then present a report to the Board.



# CORPORATE GOVERNANCE REPORT

The RC is governed by the RC's Terms of Reference which describe the duties and the powers of the RC. The functions of the RC are:-

- (a) review and recommend to the Board the framework of remuneration of the key executives of the Company and its subsidiaries, including Executive Directors, CEO and other key management personnel;
- (b) review the on-going appropriateness, attractiveness and relevance of the executive remuneration policy and other benefit programs including the terms of renewal for those Executive Directors whose current employment contracts will expire or had expired;
- (c) consider, review and approve and/or vary (if necessary) the entire specific remuneration package and service contract terms for each Directors as well as for the key management personnel (including salaries, allowances, bonuses, payments, options, benefits in kind, retirement rights, severance packages and service contracts) having regard to the executive remuneration policy for each of the companies within our Group;
- (d) review the Company's obligations arising in the event of termination of the Executive Directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;
- (e) consider and approve termination payments, retirement payments, gratuities, ex-gratia payments, severance payments and other similar payments to each member of key management personnel;
- (f) seek expert advice inside the company and/or outside professional advice on remuneration of Directors and key management personnel, and to ensure that existing relationships, if any, between the company and its appointed consultants will not affect the independence and objectivity of the consultants;
- (g) determine, review and approve the design of all option plans, stock plans and/or other equity based plans that the Group proposes to implement, to determine each year whether awards will be made under such plans, to review and approve each award as well as the total proposed awards under each plan in accordance with the rules governing each plan and to review, approve and keep under review performance hurdles and/or fulfillment of performance hurdles under such plans;
- (h) approve the remuneration framework (including Directors' fees) for the Non-Executive Directors and for the Boards of the Company;
- (i) review the remuneration of employees who are substantial shareholders or immediate family members of a Director, CEO or a substantial shareholder of the Company to ensure that their remuneration packages are in line with the standard remuneration guideline and commensurate with their respective job scopes and level of responsibilities; and
- (j) undertake such other functions and duties as may be delegated by the Board or required by statute or the Listing Rules and by such amendments made thereto from time to time.

The RC's recommendations are made in consultation with the Chairman of the Board and submitted to the entire Board for endorsement. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share-based incentives and awards, other benefits-in-kind and termination payments shall be overseen by the RC.

In its review, the RC's objective is to establish and maintain a level of remuneration that would be appropriate to attract, retain and motivate the Directors and key management personnel to run the Group successfully. The RC also ensures that the remuneration policies and systems of the Group support the Group's objectives and strategies.

The RC will review the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous and to be fair and avoid rewarding poor performance.

# CORPORATE GOVERNANCE REPORT

Save for the contributions to defined contribution plans as disclosed in Note 2.5 to the Financial Statements on page 64 of this Annual Report, and the payment in lieu of notice in the event of termination in their respective employment contracts, there are no other termination, retirement and post-employment benefits granted to the Directors, the CEO or any key management personnel.

The RC may from time to time, where necessary or required, seek expert advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for the Directors and key management personnel, so that the Group remains competitive. During FY2025, no external remuneration consultant has been engaged.

## Level and Mix of Remuneration

Principle 7            The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

## Remuneration Structure

The RC reviews and recommends to the Board a framework of remuneration for the directors and key management personnel and determines specific remuneration packages for each Executive Director and key management personnel. The recommendations of the RC on remuneration of Executive Directors and key management personnel would be submitted for endorsement by the entire Board. The Company adopts a remuneration policy for Executive Directors and key management personnel consisting of a fixed component and a variable component. The fixed component is in the form of a base/fixed salary and retirement benefits being a certain percentage of the Executive Directors and key management personnel's basic salaries contributed to the retirement benefits schemes such as the Singapore Central Provident Fund and/or pursuant to the relevant regulations of the People's Republic of China government. The variable component is in the form of a variable bonus computed based on the performance of the Group as a whole which is linked to the financial targets set and other aspects of performance, as well as individual performance which are assessed through performance appraisal that sets out various assessment criteria such as level of achievement of targets and responsibilities, leadership ability, initiative, etc, to align with the interests of shareholders and other stakeholders and promotes the long-term success of the Company. Executive Directors are not entitled to Directors' fees.

All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits in kind are covered by the RC. Each member of the RC shall abstain from voting on any resolutions in respect of his remuneration package.

In setting/reviewing the remuneration packages of the Executive Directors and key management personnel, the Company takes into consideration the existing remuneration and employment conditions and makes a comparative study of the packages of Executive Directors and key management personnel within the industry and benchmarked against comparable companies/industries as well as the individual and the Group's sustainable performance.

The RC ensures that the level and structure of remuneration of the Directors and key management personnel are aligned with the long-term interests and risk policies of the Company, as well as the ability of such remuneration structures to attract, retain and motivate Directors and key management personnel to provide good stewardship and manage the Company for the long term.

The service agreements with the respective Executive Directors, CEO and key management personnel are renewable in accordance with the specific terms as set out in the service agreements. Any revisions or amendments to the service agreements will be first proposed to the RC and thereafter, on RC's recommendation to the Board for consideration and approval.

# CORPORATE GOVERNANCE REPORT

The Company does not make use of contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors, CEO and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Having reviewed and considered the variable components of the Executive Directors and the key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. However, the Company believes that it should be able to avail itself to remedies against these personnel in the event of such breach of fiduciary duties.

There is currently no long-term incentive scheme for the Directors of the Group and there are currently no unexpired share options.

No Director is involved in deciding his own remuneration, except in providing information and documents if required by the RC to assist in its deliberations. Directors' fees are recommended by the Board for approval at the Company's AGM.

## Directors' fees

Independent Directors do not have service agreements. The remuneration of Non-Executive Directors is a fixed base Director's fee. The Lead Independent Director receives an additional fee to reflect his expanded responsibilities.

The RC recommends the payment of such fees in accordance with the contributions and responsibilities of the Non-Executive Directors, which will then be endorsed by the Board and subject to approval by the shareholders of the Company at the AGM.

## Disclosure on Remuneration

Principle 8            The company is transparent on its remuneration policies, level and mix of remuneration, the procedures for setting remuneration, and the relationship between remuneration, performance and value creation.

## Directors' and Key Management Personnel's Remuneration

During FY2025, the RC had reviewed the compensation and remuneration packages of all Directors and key management personnel and believes that the remuneration package commensurate with their respective performance roles and responsibilities, giving due consideration to the financial and commercial health and business needs of the Company. The RC has recommended to the Board and the Board has approved the remuneration of the Directors and the key management personnel.

# CORPORATE GOVERNANCE REPORT

The remuneration of Directors and CEO for FY2025 are as follows:

Name	Remuneration S\$	Salary <sup>(1)</sup> %	Bonus %	Fringe Bene Pts %	Directors' Fees %	Total %
Pan Shun Ming	517,320	98.5	–	1.5	–	100.0
Chen Xiang Zhi	183,737	100.0	–	–	–	100.0
Chan Kam Loon	43,000	–	–	–	100.0	100.0
Wu Geng	40,000	–	–	–	100.0	100.0
Low Chian Sin	40,000	–	–	–	100.0	100.0
Shi Shaobin <sup>(2)</sup>	114,483	98.6	–	1.4	–	100.0

Notes:

<sup>(1)</sup> includes salary paid by subsidiaries.

<sup>(2)</sup> Mr Shi Shaobin was appointed as CEO on 13 January 2025 and subsequently resigned on 31 August 2025.

The Board has approved the RC's recommendation for the Directors' fees of S\$123,000/- for the financial year ending 2026, payable quarterly in arrears. The fees are subject to the approval of shareholders at the forthcoming AGM. Executive Directors are not entitled to Directors' fees.

A breakdown of the level and mix of top five (5) key management personnel's (who are not Directors or the CEO) remuneration for FY2025 are as follows:

Name	Salary %	Bonus %	Fringe Bene Pts %	Total %
S\$250,000 to below S\$500,000				
Mai Shuying	98.1	–	1.9	100.0
Below S\$250,000				
Pan Zhaojin	87.0	–	13.0	100.0
Li Yonghua	96.6	–	3.4	100.0
Zhang Jianling	100.0	–	–	100.0
Pu Jinbo <sup>(1)</sup>	93.4	–	6.6	100.0

"key management personnel" refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

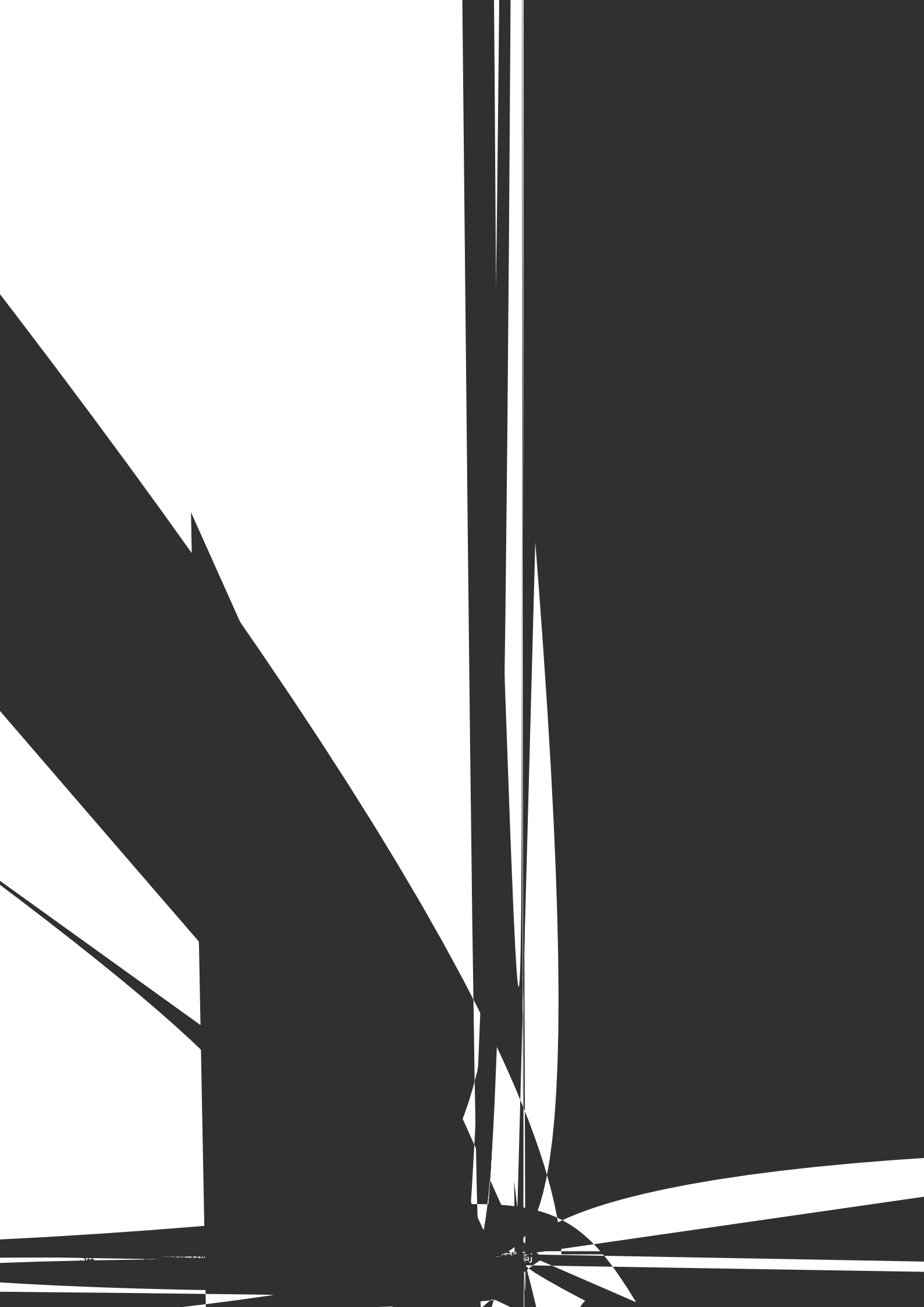
Notes:

<sup>(1)</sup> Mr Pu Jinbo ceased as Deputy CEO of the Company on 31 March 2025.

The annual aggregate remuneration paid to the top five (5) key management personnel (excluding the Directors and CEO) for FY2025 is S\$865,758.

# CORPORATE GOVERNANCE REPORT

During FY2025, save for Mr Pan (have been disclosed above), Madam Mai and Mr Pan Zhaojin (as disclosed below



- (d) review the assurance from the CEO and CFO on the financial records and financial statements;
- (e) review annually the adequacy, effectiveness, independence, scope of results of the external audit;
- (f) review annually the aggregate amount of fees paid to the external auditors for the financial year and the breakdown of the fees paid in total for audit and non-audit services respectively. Where the external auditors also provide non-audit services to the Company, to review the nature and extent of such services in order to balance the maintenance of objectivity and value for money, and to ensure that the independence of the auditors would not be affected;
- (g) review the performance of the external auditors and facilitate its selection, appointment, re-appointment, and removal. The factors to consider include an assessment of their effectiveness through the level of errors identified, accuracy in handling key accounting audit judgments, and response to queries from the AC;
- (h) make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- (i) review, with the internal and external auditors, the audit plans, scope of work, their evaluation of the adequacy of the internal controls, the audit report, accounting system, the management letters and the Management's response, and results of audits compiled by the internal and external auditors;
- (j) review the internal control and procedures, including accounting and financial controls and procedures



# CORPORATE GOVERNANCE REPORT

The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility, such as where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. The AC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

The AC has full access to and co-operation of the Company's Management and has full discretion to invite any Director or executive officer to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

Each member of the AC will abstain from voting in respect of matters in which he is interested.

## Independence of External Auditors

The aggregate amount of fees paid and/or payable by the Group to BDO LLP and overseas affiliates of BDO LLP for FY2025 is RMB1,148,000, of which audit fees amounted to RMB1,120,000 and non-audit fees amounted to RMB28,000.

During the year, the AC has taken into account the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority and the guidance provided in Practice Guidance 10 of the 2018 Code when reviewing the scope and results of audit by BDO LLP, the adequacy of resources, experience and competence of the engagement partner and key audit team members in handling the audit and their cost effectiveness, as well as their independence and objectivity. The AC has also undertaken a review of the range, volume and nature of the non-audit services performed by its external auditors which is in relation to tax agent and tax compliance services. The AC is satisfied that (i) neither their independence nor their objectivity was put at risk, and that they were able to meet the audit requirements and statutory obligations of the Company; and (ii) the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. BDO LLP has also provided a confirmation of their independence to the AC. Accordingly, the AC is satisfied that the Company has complied with the Rule 712 of the Listing Manual and has recommended to the Board, the nomination of the external auditors, BDO LLP, for re-appointment at the forthcoming AGM.

Other member firm of BDO LLP is auditor of the Company's significant foreign-incorporated subsidiaries, the Company has complied with Rule 715 of the Listing Manual.

The external auditors have unrestricted access to the AC.

The AC takes measures to keep abreast of the changes to accounting standards and issues which have impact on the Group's financial statements, with training conducted by professionals or external consultants. In FY2025, the AC was briefed and updated by the external auditors on the changes or amendments to the accounting standards and its corresponding impact on the financial statements, if any.

## AC's commentary on key audit matters

In the review of the financial statements for FY2025, the AC has discussed with the Management and the external auditors on significant issues as well as the reasonableness of the key assumptions including significant judgements and key estimates used that impact the financial statements. The most significant matters have also been included in the Independent Auditor's Report to the Members under "Key Audit Matters". Taking into account all instances of the views of the external auditors, the AC is assured and concurred with the Management's conclusions and is satisfied that these matters have been properly dealt with; and concluded that the Group's accounting treatment and the disclosures in the financial statements were appropriate. The AC has recommended the Board to approve the Audited Financial Statements.



# CORPORATE GOVERNANCE REPORT

## Whistle-Blowing Policy

The Company has in place a whistle-blowing policy which provides well-defined and accessible channels in the Group through which employees and any other persons may raise concerns, in confidence, on improper conduct or other matters to Management and/or the AC, where applicable. The details of the policy have been disseminated and made available to all employees.

The Company is proactive in conducting awareness briefings and ensuring regular communications to employees via email reminders. The Group's Whistle Blowing Policy is available on the Company's intranet and website for easy access by all employees and the public. On quarterly basis, Management will email to all the employees to report any complaints, suspected fraud, corruption, dishonest practices or other similar matters relating to the Group, the Directors or key management personnel. All concerns will be treated with strict confidentiality. The AC and the Board ensure the identity of whistleblower is kept confidential. It is the Company's commitment that if an employee or any person raises a genuine concern, he will not be at risk of losing his job or suffering from reprisal/harassment or detrimental or unfair treatment as a result. The AC oversees the administration of the policy and ensures that all concerns or complaints raised are independently investigated and appropriate actions are carried out.

The employees could report any incidents or concerns to their immediate superior, human resource, top management directly. If for any reason this is not believed appropriate or possible, or if the incident or concern involves the superior or human resource (whichever the case), the matter should be reported to the Executive Chairman or Vice Chairman or CEO, Deputy CEO or CFO. Alternately, the incident or concern may be reported via email to the AC Chairman at [sp.feedback@southern-packaging.com](mailto:sp.feedback@southern-packaging.com). For concerns related to financial reporting, internal controls, or auditing, the matter may be reported to the CFO or the AC Chairman.

All incidents or concerns reported will be acknowledged receipt and reviewed within a reasonable timeframe. After consulting with the Executive Chairman and/or senior management, the report will be directed to the appropriate department for actions, and a decision will be made on whether to proceed with detailed investigation after due consideration and inquiry. The whistleblower will be informed of the estimated time to complete the investigation and the progress of addressing the reported issue. Where the reported incident or concern involves any director or member of the Management, that director or member shall abstain from participating in the deliberations relating thereto. Management should report all reported concerns, including actions taken, recommended actions (if any), and progress to the AC or seek their guidance. All whistleblowing cases (if any) will be consolidated and submitted to the AC for review at every AC meeting. The AC will be informed of any follow-through measures (such as implementing additional internal control measures and procedures), where necessary, to ensure that such incidents will not recur. The AC will then report to the Board on such matters at the Board meetings. There have not been any whistle-blowing reports during FY2025.

The Company aims to safeguard the confidentiality of whistleblowers and protect them from any reprisals, victimisation, harassment and/or disciplinary proceedings, in line with its objective to instil transparency and accountability across operations.

The AC is vested with the power and authority to investigate and enforce appropriate action when any such non-compliance matter brought to its attention.

## Independent meeting with external and internal auditors

The AC has met the external and internal auditors without presence of the Management at least once a year to review assistance given by the Management to internal and external auditors and to ascertain if there are any material weaknesses or control deficiencies in the Group's financial and operational systems. The external auditors were also invited to be present at AC meetings held during FY2025 to, inter alia, answer or clarify any matter on cooperation from management, accounting and auditing of internal control.



# CORPORATE GOVERNANCE REPORT

Each item of special business included in the notice of the AGM is accompanied by an explanation of the effects of the proposed resolution. At AGMs, the Directors ensure that separate resolutions are set out on distinct issues for approval by shareholders and shareholders are given the opportunity to raise questions and clarify any issues they may have relating to the resolutions to be passed. Shareholders are also given the opportunities to submit written questions prior to the forthcoming AGM. The Management and the Board will respond to all substantial and comments and queries relevant to the business to be transacted at the forthcoming AGM within a reasonable timeframe prior to the AGM, but no later than 48 hours before the closing of the date and time for the lodgement of proxy forms, through publication on SGXNet. Pursuant to Rule 730A of the Listing Manual, all proposed resolutions at the Company's general meetings will be conducted by way of poll in the presence of an independent scrutineer. The explanation on polling procedures will be provided to shareholders before the poll voting is conducted. The total number and percentage of valid votes cast for or against each resolution will be announced at the general meeting and also published via SGXNet after the general meeting.

After a general meeting, the Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings, and responses from the Board and the Management. The minutes of general meetings will be published on the SGX website as soon as practicable once it is approved by the Board. The minutes of general meetings will also be made available to shareholders upon their written request. The Company had published the minutes of the AGM held on 29 April 2025 on SGX website.

## Dividend Policy

The Company currently does not have a fixed dividend policy. Nonetheless, the Management after reviewing the performance of the Company in the relevant financial period will make appropriate recommendation to the Board. Any dividend recommendation or declaration will be communicated to shareholders via announcement through SGXNet.

The form, frequency and amount of declaration and payment of future dividends on shares of the Company that the Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as other factors deemed relevant by the Directors:

- z the level of cash and retained earnings;
- z actual and projected financial performance;
- z projected levels of capital expenditure and expansion plans;
- z working capital requirements and general financing needs and conditions; and
- z restrictions on payment of dividend imposed to the Company (if any).

The Board has not declared or recommended a dividend in respect of FY2025 as the Group has sustained losses in FY2025.

## Engagement with Shareholders and Stakeholders

Principle 12 The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholder to communicate their views on various matters affecting the Company.

The Company has put in place an investor relations policy to facilitate fair and effective communication with shareholders. The Company conveys pertinent information to shareholders and complies with the guidelines set out in the Listing Manual when disclosing information. All questions raised by shareholders would be escalated to and addressed by the Senior Management or relevant person-in-charge.

# CORPORATE GOVERNANCE REPORT

The Company treats all shareholders fairly and equitably, and recognises, protects and facilitates the exercise of shareholders' right and continually review and update such governance arrangement. In this regard, care is taken to ensure that no market sensitive information such as corporate proposals, financial results and other material information is disseminated to any party without first making an official announcement through SGXNet.

The Group strives for timeliness and transparency in its disclosures to the shareholders and the public. The Company does not practice selective disclosure, and price-sensitive information is publicly released through SGXNet on an immediate basis pursuant to the Listing Manual. Information is disseminated to shareholders on a timely basis through various means of communication such as:

- z announcements via SGXNet;
- z price sensitive information, significant transactions or matters are communicated to shareholders via SGXNet;
- z Sustainability Reports, Annual Reports and notice of general meetings issued to all shareholders; and
- z the Company's website at <http://www.southern-packaging.com/> at which shareholders have access to information on the Group.

The Company solicits feedback from and addresses the concerns of Shareholders (including institutional and retail investors) by email via a dedicated investor relations email: [sp.investor@southern-packaging.com](mailto:sp.investor@southern-packaging.com) or in writing to the Company's headquarter located in China or registered office in Singapore. The Company also attends to shareholders' queries made via telephone.

For the forthcoming AGM, shareholders may submit their questions relating to the resolutions set out in the notice of the AGM in advance, or live at, the AGM. All substantive and relevant questions related to the resolutions to be tabled for approval at the AGM received in advance of the AGM before the cut-off date will be addressed and published via SGXNet and on the Company's website before the deadline for submission of proxy forms. Any subsequent clarifications sought, or follow-up questions, or substantial and relevant questions received after the cut-off date will be consolidated and addressed at the AGM. The detailed information on the submission of questions has been specified in the notice of AGM.

Principle 13 The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company understands the importance of stakeholder engagement and has been reporting its engagement activities in its annual sustainability report, with reference to Global Reporting Initiative (GRI) Standards. Key stakeholders have been identified (customers, employees, investors, suppliers, government and regulators), each with their respective engagement channels and key areas of interests that have been made of the Group's priorities. Stakeholders can communicate or write to the Company via its corporate website at [www.southern-packaging.com](http://www.southern-packaging.com).

Please refer to the section on Stakeholder Engagement in the Company's standalone Sustainability Report 2025 which was published on the same day of this Annual Report, for more information on how the Company manages its stakeholder relationships.

# CORPORATE GOVERNANCE REPORT

## DEALING IN SECURITIES

In line with Rule 1207(19) of the Listing Manual on dealings in securities, the Company has adopted a policy prohibiting share dealings in its securities by directors and officers of the Group: (i) during the period commencing one (1) month before the announcement of the Company's half/full year financial statements and ending on the date of the announcement of the relevant financial statements; and (ii) any time when in possession of unpublished price-sensitive information relating to the Group. They are prohibited from dealing in the Company's securities on short-term considerations. This has been made known to Directors and officers of the Group. They are also reminded to observe the insider trading laws at all times even when dealing in the Company's securities within permitted trading periods.

Directors are required to notify the Company of their securities dealings within two (2) business days of such dealings and the Company shall disseminate the notifications received to the market via SGXNet within one (1) business day of receiving such notifications.

## MATERIAL CONTRACTS

Save as disclosed in the section entitled "Interested Person Transactions" and the service agreements entered into between the Executive Director, CEO, Controlling Shareholder and the Company, there are no other material contracts or loans entered into by or taken up by the Company or its subsidiaries involving the interest of any Director or controlling shareholder which are still subsisting as at the end of FY2025 or if not then subsisting, entered into since the end of previous financial year.

## INTERESTED PERSON TRANSACTIONS ("IPTs")

The Company has established review procedures for IPTs and the reviews to be made periodically by the AC in relation thereto are adequate to ensure that the IPTs will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. In the event that a member of the AC is involved in any IPT, he will abstain from reviewing that particular transaction.

The IPTs of the Group during FY2025 are:-

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) FY2025	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) FY2025
Guangdong Xing Hua Health Drink Co. Ltd. <sup>(1)</sup>	RMB 1,650,084 (S\$ 301,799)	–
Pan Shun Ming and Mai Shuying <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)	–

<sup>(1)</sup> Rental payment to Guangdong Xing Hua Health Drink Co. Ltd., an associate company of Mr Pan (Executive Chairman and Substantial Shareholder) and Madam Mai (Substantial Shareholder), for factory occupied by Foshan Southern Packaging Co., Ltd., a wholly-owned subsidiary of the Company.

<sup>(2)</sup> Rental payment for Office occupied by Southern (HK) Packaging Company Limited, a wholly-owned subsidiary of the Company.

<sup>(3)</sup> Property management fee of Apex Tower.

# CORPORATE GOVERNANCE REPORT

## CORPORATE SOCIAL RESPONSIBILITIES

The Company has always fostered a socially responsible corporate culture amongst its management and staff. Our Management team and employees are our assets. We recognise that the success of our Group is due in great part to our dedicated and passionate team of employees working together to deliver high-quality services to our customers. Therefore, we take great care of employees by providing them a safe and healthy work premises and offering them opportunities to continually enhance and develop their core skills and knowledge base. In addition to this, we also provide classroom training and product knowledge, safety and product handling, new market trends and technologies so that our staff stays up-to-date with the latest developments and trends within the industry. New employees will also be provided mandatory orientation programmes to familiarise them with the Group's corporate identity, policy and standard operation practice.

## SUSTAINABILITY REPORTING

The Group firmly believes that our commitment to embrace the tenets of corporate sustainability as a driving force in creating value for our stakeholders at large. We adopt the principles of sustainability throughout our supply chain and continue to build sustainable practices in every aspect of the Group's business in achieving high levels of integrity and excellence in its activities. We focus our efforts on sustainable economic growth, training and education, employment, environment protection and environmental compliance. The standalone Sustainability Report was published on the same day of this Annual Report via SGXNet.

# DIRECTORS' STATEMENT

The directors of Southern Packaging Group Limited (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2025 and the statement of financial position of the Company as at 31 December 2025 and the statement of changes in equity of the Company for the financial year ended 31 December 2025.

## 1. Opinion of the Directors

In the opinion of the Board of Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. Directors

The directors of the Company in office at the date of this statement are as follows:

Pan Shun Ming  
Chen Xiang Zhi  
Chan Kam Loon  
Wu Geng  
Low Chian Sin

## 3. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.



# DIRECTORS' STATEMENT

## 6. Audit Committee (Continued)

- c) the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group and external auditor's report on those financial statements before their submission to the directors of the Company;
- d) the half-yearly and annual announcement on the results and financial position of the Company and the Group;
- e) the co-operation and assistance given by the management to the Group's internal and external auditors;
- f) the re-appointment of the external auditor of the Company; and
- g) the Interested Person Transactions as defined in Chapter 9 of the Listing Manual of SGX-ST and ensures that the transactions were on normal commercial terms and not prejudiced to the interests of the members of the Company.

The AC confirmed that it has undertaken a review of all non-audit services provided by the external auditor to the Group and is satisfied that the nature and extent of such services would not affect the independence of the external auditor.

The AC has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The internal and external auditors have unrestricted access to the AC.

The AC has recommended to the directors the nomination of BDO LLP for re-appointment as external auditor at the forthcoming Annual General Meeting of the Company.

## 7. Independent auditor

# INDEPENDENT AUDITOR'S REPORT

To the Members of Southern Packaging Group Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Southern Packaging Group Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 53 to 112, which comprise:

- " the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025;
- " the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended; and
- " notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# INDEPENDENT AUDITOR'S REPORT

To the Members of Southern Packaging Group Limited

Report on the Audit of the Financial Statements (Continued)	
KEY AUDIT MATTER	AUDIT RESPONSE
1	Impairment of property, plant and equipment and land use rights
<p>As at 31 December 2025, the carrying amount of the Group's property, plant and equipment ("PPE") and land use rights amounted to RMB349,181,345 and RMB34,321,579 respectively.</p> <p>During the financial year ended 31 December 2025, there were impairment indications on its PPE and land use rights as the Group has recorded a loss for the year. The management carried out an impairment assessment to determine whether an impairment loss should be recognised in the financial statements.</p> <p>Management determined the recoverable amounts based on value-in-use (discounted cash flow forecasts) calculations by estimating the expected discounted future cash flows to be derived from the cash generating unit to which the non-current assets belong. Any shortfall between the recoverable amount and the carrying amount of the cash generating unit would be recognised as an impairment loss. Based on the assessment result, no impairment loss was recognised during the financial year.</p> <p>We have determined impairment assessment of PPE and land use rights to be a key audit matter as the impairment assessment involved significant management judgements and estimates with regard to the key assumptions used in estimating the discounted future cash flows, such as the revenue growth rates, gross profit margin and discount rate.</p>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> <li>z Discussed with management and evaluated the reasonableness of the key assumptions made by management in preparing the discounted cash flows that were approved by Board of Directors, including performing analytical procedures and comparing the revenue growth rates against historical performance and industry outlook, as appropriate;</li> <li>z Engaged our internal valuation specialists to evaluate reasonableness of the discount rate used;</li> <li>z Performed sensitivity analysis around the key assumptions, including the revenue growth rates, gross profit margin and discount rate used in the cash flow forecasts; and</li> <li>z Assessed the adequacy of the disclosure in the financial statements with respect to impairment assessment of PPE and land use rights.</li> </ul>
<p>Refer to Notes 2.11, 3.2(i), 11 and 14 of the accompanying financial statements.</p>	

# INDEPENDENT AUDITOR'S REPORT

To the Members of Southern Packaging Group Limited

Report on the Audit of the Financial Statements (Continued)	
KEY AUDIT MATTER (Continued)	AUDIT RESPONSE (Continued)
2	Change in useful lives of Property, Plant and Equipment ("PPE")
<p>As disclosed in Note 3.2 to the financial statements, during the financial year ended 31 December 2025, the Group revised the estimated useful lives of certain categories of PPE, primarily relating to buildings and items of plant and machinery. The revision was based on management's reassessment of the expected consumption pattern of economic benefits for those assets, taking into account their actual usage on the production lines compared to original expectations.</p> <p>The revision resulted in a decrease in depreciation expense of approximately RMB19,669,000 for the year ended 31 December 2025. The changes were accounted for prospectively as a change in accounting estimate in accordance with SFRS(I) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors</p> <p>We have determined the change in useful lives of PPE to be a key audit matter because:</p> <ul style="list-style-type: none"> <li>z The determination of useful lives of PPE involves significant management judgements, including assessment of remaining economic benefits, technological obsolescence risk and maintenance patterns; and</li> <li>z The revision had a material impact on depreciation expense and consequently, on the Group's profit or loss for the financial year.</li> </ul>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> <li>z Obtained an understanding of management's rationale and process for revising the useful lives of PPE;</li> <li>z Assessed the reasonableness of management's judgement in determining the revised useful lives by evaluating the expected consumption pattern of economic benefits, technological obsolescence risks, historical and planned maintenance patterns;</li> <li>z Compared the revised useful lives applied by management against comparable entities within the same industry, including an evaluation of their operating activities and depreciation policies for the comparable categories of PPE;</li> <li>z Recomputed the depreciation charges based on the revised useful life to assess the arithmetical accuracy and the impact on the financial statements; and</li> <li>z Assessed the adequacy and appropriateness of the related disclosures in the financial statements.</li> </ul>
<p>Refer to Notes 2.9, 3.2(ii) and 11 of the accompanying financial statements.</p>	

# INDEPENDENT AUDITOR'S REPORT

To the Members of Southern Packaging Group Limited

Report on the Audit of the Financial Statements (Continued)

## Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and,



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2025

		Group	
	Note	2025 RMB	2024 RMB
Revenue	5	618,330,273	687,916,660
Cost of sales		(505,067,297)	(562,877,496)
Gross profit		113,262,976	125,039,164
Other item of income			
Other income	6	12,296,839	14,954,924
Other items of expense			
Distribution expenses		(41,834,048)	(45,678,067)
Administrative expenses		(71,490,014)	(84,575,245)
Finance costs	7	(18,582,905)	(20,777,850)
Loss before income tax	8	(6,347,152)	(11,037,074)
Income tax credit/(expense)	9	697,233	(7,857,518)
Loss for the financial year attributable to owners of the parent		(5,649,919)	(18,894,592)
Other comprehensive income:			
Item that may be reclassified subsequently to loss:			
Exchange differences on translation of foreign operations		(211,455)	163,958
Other comprehensive (expense)/income for the financial year, net of tax		(211,455)	163,958
Total comprehensive expense for the financial year, representing total comprehensive expense attributable to owners of the parent		(5,861,374)	(18,730,634)
Loss per share			
- Basic and diluted (RMB cents)	10	(8.03)	(26.87)

The accompanying notes form an integral part of these financial statements.



# STATEMENTS OF FINANCIAL POSITION

As At 31 December 2025

	Note	Group		Company	
		2025 RMB	2024 RMB	2025 RMB	2024 RMB
Non-current liabilities					
Deferred government subsidies	24	6,017,577	7,156,535	–	–
Deferred tax liabilities	16	1,000,000	1,000,000	–	–
Lease liabilities	25	1,316,965	–	–	–
Borrowings	26	88,530,413	46,999,050	–	–
Total non-current liabilities		96,864,955	55,155,585	–	–
Current liabilities					
Deferred government subsidies	24	1,138,959	1,138,959	–	–
Lease liabilities	25	2,149,633	2,371,802	–	–
Current income tax payable		3,053,365	4,244,719	–	–
Trade payables	27	145,110,675	166,171,683	–	–
Other payables	28	31,379,389	32,556,712	48,174,316	39,590,334
Borrowings	26	325,000,224	349,270,786	–	–
Total current liabilities		507,832,245	555,754,661	48,174,316	39,590,334
Total liabilities		604,697,200	610,910,246	48,174,316	39,590,334
Total liabilities and equity		1,103,258,136	1,115,332,556	467,288,749	467,334,219

The accompanying notes form an integral part of these financial statements.



# STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2025

	Share capital RMB	Retained earnings RMB	Total equity RMB
Company			
Balance as at 1 January 2025	230,592,765	197,151,120	427,743,885
Loss for the financial year, representing total comprehensive expense for the financial year	–	(8,629,452)	(8,629,452)
Balance as at 31 December 2025	230,592,765	188,521,668	419,114,433
Balance as at 1 January 2024	230,592,765	208,734,817	439,327,582
Loss for the financial year, representing total comprehensive expense for the financial year	–	(11,583,697)	(11,583,697)
Balance as at 31 December 2024	230,592,765	197,151,120	427,743,885

The accompanying notes form an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

For The Financial Year Ended 31 December 2025

	Note	Group	
		2025 RMB	2024 RMB
Financing activities			
Interest paid	7	(18,582,905)	(20,777,850)
Proceeds from borrowings	A	450,264,351	401,106,793
Repayment of borrowings	A	(432,660,063)	(422,640,231)
Repayment of lease liabilities	25	(2,363,814)	(2,352,974)
Decrease/(Increase) in fixed deposits pledged		10,741,333	(9,300,333)
Increase in pledged bank balances		(1,562,826)	–
Net cash generated from/(used in) financing activities		5,836,076	(53,964,595)
Net change in cash and cash equivalents		(4,337,580)	(28,019,859)
Cash and cash equivalents as at the beginning of the financial year		62,421,764	90,219,566
Effect of exchange rate changes on the balance of cash held in foreign currencies		(264,878)	222,057
Cash and cash equivalents as at the end of the financial year	20	57,819,306	62,421,764

Note A: Reconciliations of liabilities arising from financing activities are as follows:

	Borrowings	Foreign exchange differences	31 December
RMB	RMB	RMB	RMB
396,269,836	17,604,288	(343,487)	413,530,637
417,451,589	(21,533,438)	351,685	396,269,836

Form an integral part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 2. Summary of material accounting policies information (Continued)

### 2.1 Basis of preparation of financial statements (Continued)

#### Changes in accounting policies (Continued)

New standards, amendments and interpretations *effective* from 1 January 2025 (Continued)

The following standards and interpretations are *effective* for annual periods beginning on or after 1 January 2025, disclosures shall be made in the "Basis of preparation" if the change in accounting policy had a material *effect* on the current period or any prior period:

	Effective date (annual periods beginning on or after)
SFRS(I) 1-21 (Amendments) : Lack of Exchangeability	1 January 2025

Amendments to SFRS(I) 1-21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The amendments introduced requirements to assess when a currency is exchangeable into another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. The amendment also introduces additional disclosure requirements when an entity estimates a spot exchange rate because a currency is not exchangeable into another currency.

The Group is not permitted to restate comparative information when applying the amendments. The amendments have no material *effect* to the financial statements of the Group.

New standards, amendments and interpretations issued but not yet *effective*

At the date of authorisation of these financial statements, the following standards were issued but not yet *effective*, and have not been adopted early in these financial statements:

	Effective date (annual periods beginning on or after)
SFRS(I) 10 and SFRS(I) 1-28 (Amendments) : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
SFRS(I) 9 and SFRS(I) 7 (Amendments) : Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
SFRS(I) 9 and SFRS(I) 7 : Contract Referencing Nature-dependent Electricity	1 January 2026
Various : Annual Improvements to SFRS(I)s	1 January 2026
SFRS(I) 18 : Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19 : Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to SFRS(I) 19 : Subsidiaries without Public Accountability: Disclosures	1 January 2027



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 2. Summary of material accounting policies information (Continued)

### 2.2 Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same financial year as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries

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# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 2. Summary of material accounting policies information (Continued)

### 2.7 Leases (Continued)

#### Group as lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- z leases of low value assets; and
- z leases with a duration of twelve months or less.

The payments for leases of low value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.

#### Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

The Group's right-of-use assets comprise land use rights acquired for own use and property relating to lease of warehouse spaces, office and residential premises and machinery with its corresponding lease liabilities are separately presented from other assets and other liabilities in the statements of financial position.

#### Subsequent measurement

The right-of-use assets under cost model are depreciated on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise the purchase option, the right-of-use assets are amortised over the useful life of the underlying asset.

The estimated useful life of right-of-use assets are as follows:

	Years
Land use rights	44 to 50
Warehouse spaces	1
Office premise	2 to 3

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use asset may be impaired. The accounting policy on impairment is as described in Note 2.11 to the financial statements.

When the Group revises its estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the remeasurement is recognised directly in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 2. Summary of material accounting policies information (Continued)

### 2.9 Property, plant and equipment (Continued)

Depreciation is charged so as to write off the cost of assets after taking into account their estimated residual value of 5% to 10%, other than construction in progress, over their estimated useful lives, using the straight-line method, on the following rates per annum:

	Years
Buildings	20 to 40
Plant and machinery	8 to 20
Furniture, fixture and equipment	3 to 5
Motor vehicles	5
Leasehold improvements	5

No depreciation is charged on construction in progress as they are not yet in use as at the end of the financial year.

Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

### 2.10 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. On initial recognition, investment properties are measured at cost, including any directly attributable capital expenditure. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method over 40 to 50 years.

### 2.11 Impairment of non-financial assets

At the end of each financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 2. Summary of material accounting policies information (Continued)

### 2.12 Inventories

#### Properties held for sale

The cost of properties held for sale is stated at the lower of cost and net realisable value. Cost includes cost associated with the acquisition of land, all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects, direct building costs and other costs of bringing the development properties to their present location and condition.

#### Finished goods, raw materials and consumable stores

Finished goods, raw materials and consumable stores are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in distribution. Where necessary, write-down is made for obsolete, slow-moving and defective inventories to adjust the carrying values of those inventories to the lower of cost and net realisable value.

### 2.13 Financial instruments

Financial assets and financial liabilities are recognised on the statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

#### Financial assets

The Group classifies its financial assets under amortised cost. This depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets. The Group's accounting policy for financial assets recognised under amortised cost is as follows:

#### Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables) but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 2. Summary of material accounting policies information (Continued)

### 2.13 Financial instruments (Continued)

#### Financial assets (Continued)

#### Amortised cost (Continued)

Impairment provisions for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the provision matrix to determine the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. The Group considers a financial asset as default if the counterparty fails to make contractual payment within 120 days when they fall due.

Impairment provisions for other receivables are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Trade receivables are written off when there is no reasonable expectation of recovery such as debtor is under liquidation. If the receivables are subsequently recovered, such recovery is recognised in profit or loss as "Administrative expenses".

The Group's financial assets measured at amortised cost comprise trade receivables, other receivables and prepayments (excluding advances to suppliers, value added tax and prepayments), cash and bank balances as well as fixed deposits in the statements of financial position.

#### Derecognition of financial assets

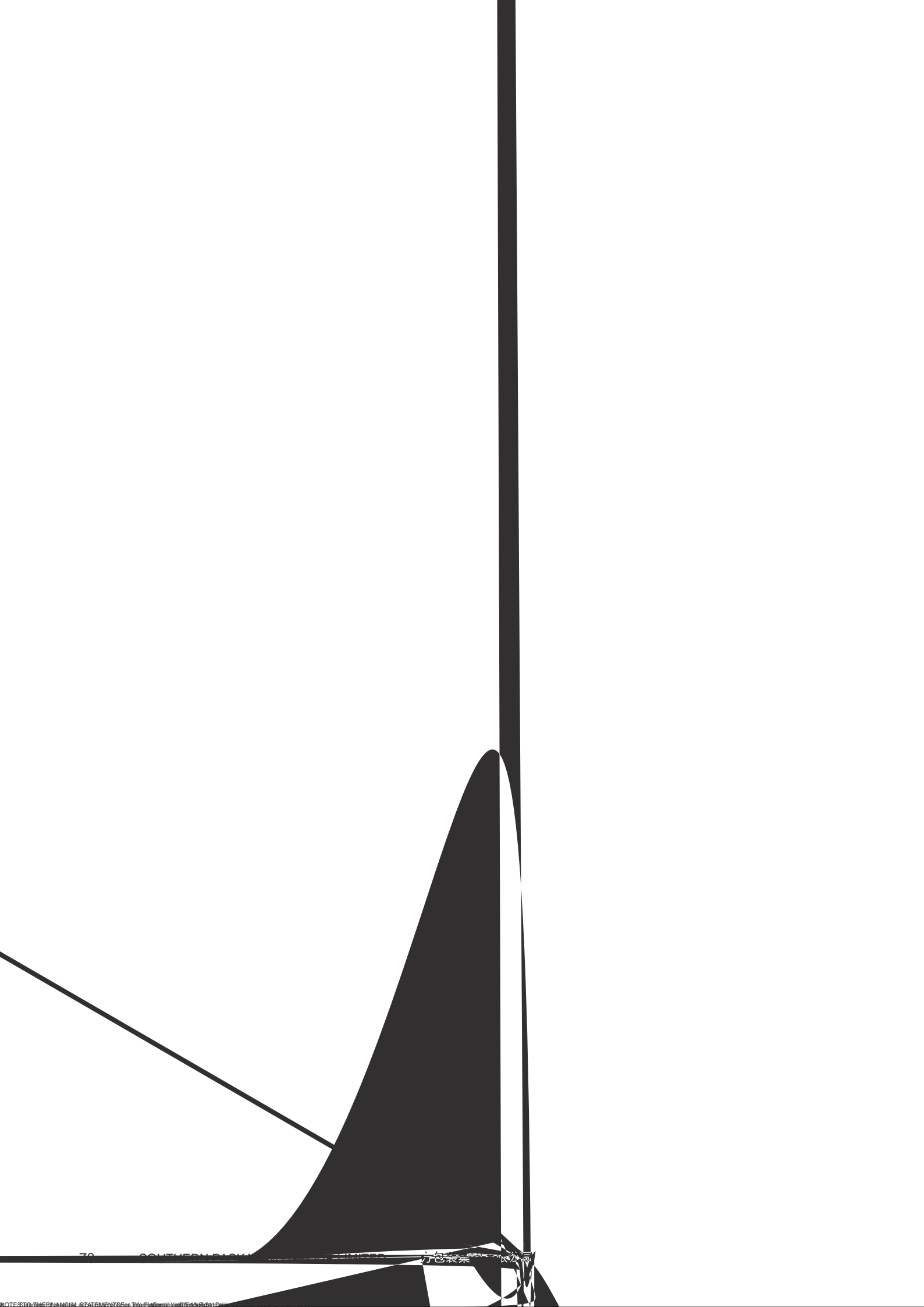
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

#### Financial liabilities

The Group classifies its financial liabilities as subsequently measured at amortised cost.

#### Trade and other payables

Trade and other payables (excluding contract liabilities and other taxes) are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

### 3.1 Critical judgements made in applying the entity's accounting policies

Management is of the opinion that there are no critical judgements made in applying the accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty as at the end of each financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below.

#### (i) Impairment of property, plant and equipment and land use rights

Property, plant and equipment and land use rights are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flow (its cash generating unit or CGU). The recoverable amount of property, plant and equipment and land use rights is determined based on value-in-use, by discounting the expected future cash flows for each CGU.

The key assumptions used in the discounted cash flow forecasts are discount rate, gross profit margin and revenue growth rates. The management carried out an impairment review of property, plant and equipment and land use rights and there was no impairment loss recognised. The carrying amounts of the Group's property, plant and equipment and land use rights as at 31 December 2025 are disclosed in Note 11 and Note 14 to the financial statements, respectively.

#### (ii) Change in useful lives of property, plant and equipment

During the financial year, the Group performed an operational efficiency review of its property, plant and equipment. As part of this review, management assessed the expected pattern of consumption of economic benefits for certain assets, primarily relating to buildings and items of plant and machinery. Based on updated reassessments of the expected consumption pattern of economic benefits of these assets, taking into account their actual usage on the production lines compared to original expectations, management determined that the previous estimates of useful lives for these assets were no longer appropriate. As a result, the Group revised the estimated useful lives of certain buildings and items of plant and machinery within the

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

### 3.2 Key sources of estimation uncertainty (Continued)

#### (ii) Change in useful lives of property, plant and equipment (Continued)

The effects of the above changes on depreciation expense in the current and future periods are as follows:

- z Decrease in depreciation expenses for the year of approximately RMB19,669,000
- z Increase in depreciation expenses for the future years of approximately RMB19,669,000

#### (iii) Loss allowance for trade receivables

Management determines expected credit loss for trade receivables by considering historical loss pattern of various customers in different geographical areas and adjusted with forward-looking information by considering the available market data on the customers' country credit rating and industry growth for non-credit impaired trade receivables operating in, which are the key estimates in measuring expected credit loss. Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. The carrying amounts of the Group's trade receivables as at 31 December 2025 are disclosed in Note 18 to the financial statements.

#### (iv) Write-down for slow-moving and obsolete inventories (excluding properties held for sale)

Management reviews the Group's inventory levels (excluding properties held for sale) 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 a write-down on inventories. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position. The carrying amounts of the Group's inventories as at 31 December 2025 are disclosed in Note 17 to the financial statements.

#### (v) Recognition of 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 together with future tax planning strategies, including the probability in obtaining approval from the local tax authority upon the Group's application for renewal of High-tech Enterprise license.

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 provided for. Where the final tax outcome of these matters

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# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

### 3.2 Key sources of estimation uncertainty (Continued)

#### (vi) Impairment of investment properties and net realisable value of properties held for sale

Management is required to make judgements in reviewing the impairment indicators of the investment properties and the net realisable value of properties held for sale on whether an impairment loss should be recognised in the financial statements. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The management has determined the recoverable amount of the investment properties and properties held for sale using fair value estimated using the average of both direct comparison approach and income approach and further adjusted with cost of disposal. Based on the management assessment, there was no impairment loss recognised. The carrying amounts of the Group's investment properties and properties held for sale as at 31 December 2025 and the key assumptions used to determine the recoverable amount is disclosed in Note 12 and Note 17 to the financial statements.

## 4. Going concern basis

As at 31 December 2025, the Company's current liabilities exceeded its current assets by RMB46,818,492, which mainly comprised of amount due to subsidiaries amounted RMB47,472,520. Management is of the view of the Company has the ability to continue as a going concern on the basis that the Company has control over the usage of funds within the Group to enable it to pay its debts as and when they fall due.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 5. Revenue

### Disaggregation of revenue

The Group has disaggregated revenue into various categorical in the following table:

Segments	Rigid packaging		Flexible packaging		Property development		Total	
	2025 RMB	2024 RMB	2025 RMB	2024 RMB	2025 RMB	2024 RMB	2025 RMB	2024 RMB
<u>Primary geographical markets</u>								
The People's Republic of China ("The PRC")	384,867,526	438,667,541	183,189,781	192,819,292	-	-	568,057,307	631,486,833
Australia	21,925,284	19,634,793	-	-	-	-	21,925,284	19,634,793
Philippines	7,907,057	10,351,595	-	-	-	-	7,907,057	10,351,595
Thailand	142,857	148,020	12,192,373	13,676,724	-	-	12,335,230	13,824,744
Other regions	2,579,330	4,650,790	5,526,065	7,967,905	-	-	8,105,395	12,618,695
	417,422,054	473,452,739	200,908,219	214,463,921	-	-	618,330,273	687,916,660

The Group has derived the revenue from the transfer of goods at point in time.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 6. Other income

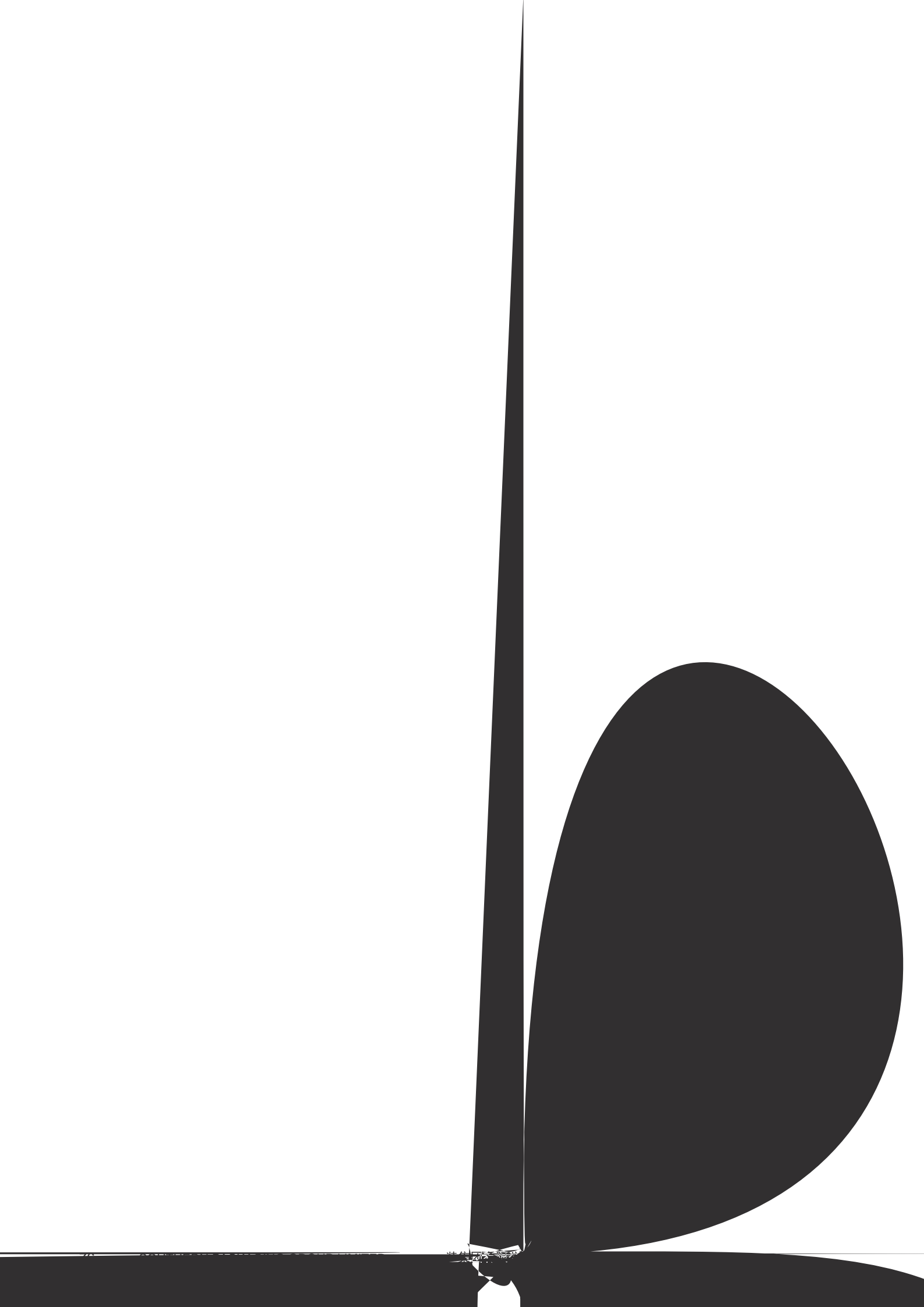
1,138,959	1,138,959
63,956	–
1,624,944	4,826,814
155,195	319,491
2,801,606	1,291,372
448,771	187,682
744,128	1,033,349
2,922,361	5,098,695
2,396,919	1,058,562
12,296,839	14,954,924

...ly from the PRC government for the Group's business  
...ions or contingencies related to these subsidies.

...materials and packing materials.

...ferral of mould production services to the Group's customers.

18,528,690	20,681,757
54,215	96,093
18,582,905	20,777,850



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 8. Loss before income tax (Continued)

The above is arrived at after charging/(crediting): (Continued)

	Group	
	2025	2024
	RMB	RMB
<u>Administrative expenses</u>		
Loss allowance (reversal)/made on trade receivables	(398,900)	166,455
Amortisation of land use rights	1,078,280	1,078,278
Amortisation of right-of-use assets	774,441	768,783
Audit fee		
- auditors of the Company	628,759	614,272
- other auditors	491,615	490,324
Non-audit fee		
Audit-related services ("ARS")		
- other auditors	–	5,000
Non-ARS		
- auditors of the Company	19,136	18,695
- other auditors	9,000	7,000
Bank charges	182,354	366,039
Depreciation of investment properties	2,166,255	2,166,254
Depreciation of property, plant and equipment	4,488,328	5,308,283
Directors' remuneration <sup>(1)</sup>		
- Directors' fees	672,441	655,763
- salaries, bonuses and allowances	3,789,330	3,818,695
- contributions to defined contribution plans	43,696	39,228
Duty and tax	497,928	5,560,500
Employee benefits expense <sup>(1)</sup>		
- salaries, bonuses and allowances	28,760,067	28,938,300
- contributions to defined contribution plans	3,513,862	3,346,748
- other related costs	562,949	1,073,242
Loss on disposal of property, plant and equipment	44,661	374,493
Property, plant and equipment written off	–	384,461
Office repairs and maintenance expenses	279,714	180,132
R&D expenditure	9,651,428	14,753,490
Telephone and fax charges	835,075	844,591
Travelling and accommodation expenses	1,009,076	1,343,020
Entertainment expense	2,043,514	2,422,863
Foreign exchange loss, net	–	323,914

<sup>(1)</sup> The remuneration of directors and key management personnel is disclosed in Note 35 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 9. Income tax (credit)/expense

	204,877	347,777
	(1,980,110)	19
	(1,775,233)	347,796
	(365,412)	413,349
	1,443,412	7,096,373
	1,078,000	7,509,722
	(697,233)	7,857,518

PRC are awarded the status of a High Technology Enterprise and are entitled to a preferential tax rate of 15% on its profits. Southern (HK) Packaging Company Limited is subject to Hong Kong income tax of 8.25% to 16.50% on its profits. Singaporean subsidiaries are subject to Singapore tax rate of 17% (2024: 17%).

The amount of income tax expense determined by applying the applicable tax rates to loss before income tax and resulting in the following

	Group	
	2025	2024
	RMB	RMB
	(6,347,152)	(11,037,074)
(2024: 17%)	(1,079,016)	(1,876,303)
are not deductible in determining taxable	2,563,053	2,796,335
taxable in determining taxable profit	(1,843)	(2,707)
	(4,042,924)	(1,360,266)
seas operations	(203,844)	(56,137)
Financial years	(1,980,110)	19
in prior financial years	1,443,412	7,096,373
	2,361,822	1,138,009
	242,217	122,195
Financial year	(697,233)	7,857,518

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 10. Loss per share

The calculation for basic earnings per share is based on the loss for the financial year attributable to owners of the parent divided by the number of ordinary shares.

	Group	
	2025	2024
The calculation of basic earnings per share is based on:		
Loss for the financial year attributable to owners of the parent (RMB)	(5,649,919)	(18,894,592)
Number of actual ordinary shares	70,319,164	70,319,164
Loss per share (RMB cents)		
- basic earnings per share	(8.03)	(26.87)

As the Company has no dilutive potential ordinary shares, the diluted loss per share is equivalent to basic earnings per share.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 11. Property, plant and equipment

RMB	RMB	Pxture and equipment RMB	Motor vehicles RMB	Leasehold improvements RMB	Construction in progress RMB	Total RMB
311,278,140	550,903,868	291,553,486	10,219,673	377,301	3,126,224	1,167,458,692
74,736	1,649,075	12,724,627	56,398	-	6,175,820	20,680,656
-	(103,982)	-	(577,500)	-	-	(681,482)
171,938	4,671,559	16,283	-	-	(4,859,780)	-
-	-	(3,026)	-	(9,290)	-	(12,316)
311,524,814	557,120,520	304,291,370	9,698,571	368,011	4,442,264	1,187,445,550
125,620,033	416,124,423	261,559,402	9,155,117	377,301	-	812,836,276
8,426,867	7,430,173	9,814,828	160,697	-	-	25,832,565
-	(54,537)	-	(548,624)	-	-	(603,161)
-	-	(2,912)	-	(9,290)	-	(12,202)
134,046,900	423,500,059	271,371,318	8,767,190	368,011	-	838,053,478
-	182,482	28,245	-	-	-	210,727
177,477,914	133,437,979	32,891,807	931,381	-	4,442,264	349,181,345

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

11. Property, plant and equipment (Continued)	Group	Buildings	Plant and machinery	Furniture, fixture and equipment	Motor vehicles	Leasehold improvements	Construction in progress	Total
		RMB	RMB	RMB	RMB	RMB	RMB	RMB
Cost								
Balance as at 1 January 2024		311,231,994	555,641,446	286,655,730	10,164,806	369,233	8,214,524	1,172,277,733
Additions		46,146	2,397,206	4,888,492	48,053	-	3,373,320	10,753,217
Disposals		-	(11,748,840)	-	-	-	-	(11,748,840)
Written off		-	(3,803,889)	(30,226)	-	-	-	(3,834,115)
Reclassifications		-	8,417,945	36,861	6,814	-	(8,461,620)	-
Currency translation differences		-	-	2,629	-	8,068	-	10,697
Balance as at 31 December 2024		311,278,140	550,903,868	291,553,486	10,219,673	377,301	3,126,224	1,167,458,692
Accumulated depreciation								
Balance as at 1 January 2024		114,091,926	403,179,464	249,813,328	9,006,023	369,233	-	776,459,974
Depreciation for the financial year		11,528,107	27,301,471	11,769,732	149,094	-	-	50,748,404
Disposals		-	(10,933,012)	-	-	-	-	(10,933,012)
Written off		-	(3,423,500)	(26,154)	-	-	-	(3,449,654)
Currency translation differences		-	-	2,496	-	8,068	-	10,564
Balance as at 31 December 2024		125,620,033	416,124,423	261,559,402	9,155,117	377,301	-	812,836,276
Accumulated impairment loss								
Balance as at 1 January 2024 and 31 December 2024		-	182,482	28,245	-	-	-	210,727
Carrying amount								
Balance as at 31 December 2024		185,658,107	134,596,963	29,965,839	1,064,556	-	3,126,224	354,411,689



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 12. Investment properties

	96,211,470	96,211,470
	6,862,690	4,696,436
	2,166,255	2,166,254
	9,028,945	6,862,690
	87,182,525	89,348,780
	110,298,326	116,127,226

Investment properties are as follows:

	Tenure
Investment properties	50-year leases ending on 21 September 2045
432 sqm of commercial units and carparks	40-year leases ending on 7 November 2062

Investment properties with a carrying amount of RMB86,857,820 (2024: RMB86,857,820) are subject to parking facilities granted to the Group (Note 26).

### Valuation options

Investment properties are valued by independent professional valuers at each reporting date who hold relevant professional qualifications and have recent experience in the location and category of the properties.

The fair values of investment properties were determined using a combination of the direct comparison method and the income approach. An appropriate weighting applied to each method.

In the direct comparison method, reference was made to the comparable sales evidence in the relevant locality with adjustments for differences in size, location, condition, prevailing market conditions and all other relevant factors. The major inputs into the valuation model were the price per square meter and the estimated rental per square meter.

In the income approach, the fair value was determined by reference to the net rental income derived from the existing tenancies with adjustments for the fair value of the property or by reference to comparable market transactions. The major inputs into the valuation model were discount rate and estimated rental per square meter.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 12. Investment properties (Continued)

### Valuation techniques and assumptions (Continued)

The valuations were based on the respective property's highest and best use. The management of the Group oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 Fair Value Measurement guidance.

For valuations performed by external valuation experts, the management reviews the appropriateness of the valuation methodologies and assumptions adopted. The management also evaluates the appropriateness and reliability of the inputs used in the valuations. The resulting fair value of the investment properties is considered level 3 non-recurring fair value measurements which involves significant unobservable inputs:

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Income capitalisation approach	Discount rate - 5.5% (2024: 5.5%)	The higher the discount rate, the lower the fair value.
	Rental income per square metre – RMB11 to RMB58 (2024: RMB11 to RMB62)	The higher the rental income, the higher the fair value.
Direct comparison approach	Comparable price per square metre – RMB3,900 to RMB14,800 (2024: RMB4,200 to RMB15,700)	The higher the comparable price per square metre, the higher the fair value.

### Impairment assessment of investment properties

During the financial year ended 31 December 2025, the Group carried out a review of the recoverable amount of investment properties due to indications of impairment. The recoverable amount of the investment properties has been determined based on fair value less cost of disposal approach. The fair value determined by the external valuation experts has further adjusted with the potential cost of disposal including relevant tax imposed and commission expenses. Based on the management assessment, there was no impairment loss recognised.

Rental income generated and direct operating expenses incurred on investment properties are as follows:

	Group	
	2025 RMB	2024 RMB
Rental income arising from investment properties	448,771	187,682
Direct operating expenses (including repairs and maintenance)		
- investment properties that generate income	18,671	18,671
- investment properties that do not generate income	3,489,450	3,044,396

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 13. Investments in subsidiaries

	456,236,365	456,236,365
Guarantees	9,696,560	9,696,560
	465,932,925	465,932,925

Financial guarantee contracts in respect of corporate loans provided by certain subsidiaries in prior years and which have been fully amortised in the prior year.

Details are as follows:

	Effective equity interest held by the Group		Principal activities
	2025	2024	
	%	%	
Company of the People's Republic of China	100	100	Trading and manufacturing of packaging products for foodstuff, medical and cosmetic industries and engaged in sub-contract processing business
Company of the People's Republic of China	100	100	Trading and manufacturing of packaging products for foodstuff, medical and cosmetic products, and property development
Company of the People's Republic of China	100	100	Trading and manufacturing of packaging products for foodstuff, medical and cosmetic products
Company of Hong Kong	100	100	Trading of packaging products for foodstuff, medical and cosmetic products

Company of Hong Kong is a member firm of BDO International Limited.

Company of Hong Kong is a member firm of BDO International Limited for

Financial resources and fixed deposits amounted to RMB47,423,999 (2024: RMB47,423,999) held by the Group in accordance with local exchange control regulations. These regulations place restrictions on the Group's ability to repatriate funds other than through dividends and thus significantly affect the Group's ability to settle liabilities, of the Group.







# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 16. Deferred tax assets/(liabilities) (Continued)

### Unutilised tax losses

No deferred tax asset has been recognised in respect of the remaining unutilised tax losses of RMB140,105,682 (2024: RMB124,796,711) due to the unpredictability of profit streams. The expiry dates for the remaining tax losses arising in certain foreign tax jurisdictions are as follows:

Year incurred	Year of expiry	Group	
		2025 RMB	2024 RMB
2016	2026	13,156,754	13,156,754
2018	2028	16,900,627	9,492,695
2019	2029	6,504,145	4,069,244
2020	2024	25,908	25,908
2020	2030	6,778,470	5,099,688
2021	2025	28,943	28,943
2021	2031	1,387,165	4,996,156
2022	2026	32,549	32,549
2022	2032	43,706,740	41,617,126
2023	2033	24,267,276	28,109,078
2024	2034	11,571,623	18,168,570
2025	2035	15,745,482	–
		<u>140,105,682</u>	<u>124,796,711</u>

### Deferred tax liabilities

#### Undistributed profits

Deferred tax liabilities arising from the aggregate amount of temporary differences associated with undistributed earnings of certain subsidiaries for which is estimated by the management to be distributed in the future.

As at 31 December 2025, total unremitted earnings of certain subsidiaries in the PRC amounted to RMB46,758,387 (2024: RMB42,370,830). Management estimates that not more than 50% (2024: 50%) of these unremitted earnings will be distributed as dividends in the foreseeable future. Hence, as at 31 December 2025, a deferred tax liability of RMB1,000,000 (2024: RMB1,000,000) was recognised on the withholding tax and other taxation that would be payable. No deferred tax liability was recognised on unremitted earnings amounting to RMB43,675,008 (2024: RMB41,516,427) as the Group is in a position to control the dividend policies of these subsidiaries and it is probable that these earnings will not be distributed in the foreseeable future.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 18. Trade receivables (Continued)

The Group determines expected credit losses on trade receivables from third parties by making individual assessment of expected credit loss for long overdue trade receivables and using a provision matrix for remaining trade receivables that is based on its historical credit loss experience, past due status of the trade receivables and adjusted with forward looking information by considering the available market data on the customers' country credit rating and industry growth for non-credit impaired trade receivables operating in, as appropriate. Management takes into account historical provision trend and other relevant factors.

The following table provides information about the exposure to credit risk and expected credit loss for third parties trade receivables as at 31 December 2025 and 31 December 2024.

	Gross carrying amount RMB	Loss allowance RMB	Credit impaired
Group			
2025			
Not past due	149,026,975	–	No
<90 days past due	8,629,946	–	No
91 to 180 days past due	2,951,391	–	No
181 to 365 days past due	456,003	(252,020)	Yes
>365 days past due	519,367	(176,382)	Yes
	161,583,682	(428,402)	
2024			
Not past due	143,397,348	–	No
<90 days past due	6,492,047	–	No
91 to 180 days past due	1,441,574	–	No
181 to 365 days past due	1,436,495	(334,001)	Yes
>365 days past due	911,431	(493,301)	Yes
	153,678,895	(827,302)	

The loss allowance of RMB428,402 (2024: RMB827,302) is related to credit-impaired balances from customers who are not likely to repay the outstanding balances mainly due to economic circumstances or who has defaulted in payment terms.

Management believes that no impairment allowance is necessary for the remaining trade receivables as these are substantially companies with good collection track record and no recent history of default, hence the expected credit loss is not material.

The Group does not hold any collateral over these balances.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 19. Other receivables and prepayments (Continued)

The advances to suppliers are unsecured, non-interest bearing and are expected to be utilised within twelve months from the end of the financial year.

The Group's and the Company's other receivables and prepayments (excluding advances to suppliers, value added tax and prepayments) that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2025 RMB	2024 RMB	2025 RMB	2024 RMB
Denominated in:				
Japanese yen	126,776	–	–	–
Singapore dollar	16,765	16,344	16,765	16,344

## 20. Cash and bank balances

	59,382,132	62,421,764	1,339,059	1,384,950
	(1,562,826)	–	–	–
	57,819,306	62,421,764	1,339,059	1,384,950

Interest of 0% to 0.25% (2024: 0.05% to 0.20%) per annum.

Cash and bank balances that are not denominated in the functional currencies of the respective

	Group		Company	
	2025 RMB	2024 RMB	2025 RMB	2024 RMB
Denominated in:				
Japanese yen	15,922	14,548	–	–
Singapore dollar	–	1	–	–
Renminbi	125,469	778,292	70,415	76,248
Singapore dollar	227,723	995,960	–	–
Singapore dollar	1,174,701	1,216,594	1,174,701	1,216,594
United States dollar	8,026,662	7,934,319	90,407	85,285

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 21. Fixed deposits

– 10,741,333

(Note 26).

at a fixed rate of 1.3% per annum and for a tenure of

in the respective currencies of the respective entities.

519,164	70,319,164	230,592,765	230,592,765
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which carries no right to fixed income. The holders of ordinary shares are entitled to dividends when declared by the Company. All ordinary shares have no restrictions on their transfer without restriction.

12,638,812	12,638,812
64,688,823	64,124,500
(1,055,396)	(843,941)
76,272,239	75,919,371

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 23. Reserves (Continued)

### Capital contribution

Capital contribution represents contribution from a controlling shareholder in connection with the acquisition of an associate.

In 2011, the capital contribution arising from the sale of land by an associate to a controlling shareholder represents the excess of the consideration received over the fair value of the net assets disposed. The contribution is recorded as a capital contribution to the Group. The management has considered that it has been the shareholder's intention for the excess consideration to be a gift to the Group, and hence, management is satisfied that this excess consideration represents a capital contribution to the Group by the controlling shareholder.

### Statutory reserve

In accordance with the relevant laws and regulations of the PRC, the subsidiaries established in the PRC are required to transfer at least 10% of its profits after income tax determined in accordance with the accounting regulations in the PRC to the statutory reserve until the reserve balance reaches 50% of the respective registered capital of the PRC subsidiaries. Such reserve may be used to reduce any losses incurred or for capitalisation as paid-up capital of the PRC subsidiaries. The statutory reserve is not available for distribution.

### Foreign currency translation account

The foreign currency translation account comprises foreign exchange differences arising from the translation of the financial statements of the foreign operation of the Group whose functional currency is different from the Group's presentation currency.

## 24. Deferred government subsidies

8,295,495	9,434,453
(1,138,959)	(1,138,959)
<u>7,156,536</u>	<u>8,295,494</u>
(1,138,959)	(1,138,959)
<u>6,017,577</u>	<u>7,156,535</u>

...the purchase of land use rights and plant and ...the useful lives of the land use rights and plant ...31 December 2025 arising from the purchase of ...5 (2024: RMB5,063,478) and RMB2,233,291 (2024:

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 25. Lease liabilities

2,371,802	3,162,762
3,496,238	1,540,663
54,215	96,093
(2,363,814)	(2,352,974)
(54,215)	(96,093)
(2,418,029)	(2,449,067)
(37,628)	21,351
3,466,598	2,371,802

At the reporting date are as follows:

	Group	
	2025	2024
	RMB	RMB
	2,266,250	2,426,244
	1,389,483	–
	3,655,733	2,426,244
	(189,135)	(54,442)
	3,466,598	2,371,802
At reporting date position		
	2,149,633	2,371,802
	1,316,965	–
	3,466,598	2,371,802

spaces and office premise with fixed payments over the lease terms with no

applied to lease liabilities range from 4.35% to 5.20% (2024: 4.35% to 5.20%)

is RMB2,418,029 (2024: RMB2,449,067).

ed in the functional currencies of the respective entities.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 26. Borrowings

20,400,000	–
32,400,000	42,000,000
30,000,000	–
82,800,000	42,000,000
5,730,413	4,999,050
88,530,413	46,999,050
137,205,805	149,061,424
75,707,892	83,087,000
7,800,000	–
9,600,000	44,600,000
5,000,000	35,000,000
50,000,000	30,000,000
10,000,000	–
295,313,697	341,748,424
6,217,770	–
10,000,000	–
16,217,770	–
13,468,757	7,522,362
325,000,224	349,270,786
413,530,637	396,269,836

secured



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 27. Trade payables

139,057,852	155,721,314
6,052,823	10,450,369
145,110,675	166,171,683

(4: 90 days).

functional currencies of the respective entities

Group	
2025	2024
RMB	RMB
5,283	4,828
7,121,463	11,809,717

5,887,306	4,645,018	–	–
2,298,555	2,298,555	–	–
–	–	47,472,520	38,219,330
8,185,861	6,943,573	47,472,520	38,219,330
18,998,121	19,377,110	701,796	1,371,004
4,195,407	6,236,029	–	–
31,379,389	32,556,712	48,174,316	39,590,334
145,110,675	166,171,683	–	–
413,530,637	396,269,836	–	–
3,466,598	2,371,802	–	–
(4,195,407)	(6,236,029)	–	–
(6,052,823)	(10,450,369)	–	–
39,069	580,683,635	48,174,316	39,590,334



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 30. Capital commitments

As at the end of the financial year, commitments in respect of capital expenditure are as follows:

	Group	
	2025	2024
	RMB	RMB
Capital expenditure contracted but not provided for		
- commitments for the acquisition of property, plant and equipment	219,060	215,800

## 31. Segment information

The operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's chief operating decision maker, in order to allocate resources to segments and to assess the segment performance.

The Group's reportable segments under SFRS(I) 8 are therefore as follows:

- z Flexible packaging segment mainly manufactures plastic packaging bags with design supplied by the customers for the pharmaceutical industry, food and beverage industry and hygiene industry.
- z Rigid packaging segment mainly manufactures polyethylene terephthalate ("PET") bottles together with printing of design onto the bottle for pharmaceutical industry, food and beverage industry and hygiene industry.
- z

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# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 31. Segment information (Continued)

Information regarding the Group's reportable segment is presented below.

### Segment revenue, results and assets

Group	Rigid packaging		Flexible packaging		Property development		Consolidated	
	2025 RMB	2024 RMB	2025 RMB	2024 RMB	2025 RMB	2024 RMB	2025 RMB	2024 RMB
Revenue	417,422,054	473,452,739	200,908,219	214,463,921	–	–	618,330,273	687,916,660
External sales								
Results								
Segment gross pro fts	93,191,326	95,292,742	20,071,650	29,746,422	–	–	113,262,976	125,039,164
Allocated expense	(69,247,249)	(83,813,754)	(31,823,358)	(35,319,035)	(3,578,625)	(3,190,507)	(104,649,232)	(122,323,296)
Allocated income	4,004,329	4,397,851	1,719,638	1,992,215	448,771	187,682	6,172,738	6,577,748
Segment result	27,948,406	15,876,839	(10,032,070)	(3,580,398)	(3,129,854)	(3,002,825)	14,786,482	9,293,616
Unallocated expenses							(8,674,830)	(7,930,016)
Unallocated income							5,968,906	8,057,685
Interest income							155,195	319,491
Interest expense							(18,582,905)	(20,777,850)
Loss before income tax							(6,347,152)	(11,037,074)
Income tax credits/(expense)							697,233	(7,857,518)
Loss for the financial year attributable to owners of the parent							(5,649,919)	(18,894,592)
Assets								
Segment assets	457,068,290	472,436,095	209,101,205	187,770,342	362,937,444	365,103,699	1,029,106,939	1,025,310,136
Unallocated corporate assets							74,151,197	90,022,420
Consolidated total assets							1,103,258,136	1,115,332,556
Liabilities								
Segment liabilities	76,983,260	92,435,181	54,854,643	59,877,048	45,061,568	45,061,569	176,899,471	197,373,798
Unallocated corporate liabilities							427,797,729	413,536,448
Consolidated total liabilities							604,697,200	610,910,246

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 31. Segment information (Continued)

### Other segment information

	Additions to non-current assets		Depreciation and amortisation	
	2025	2024	2025	2024
	RMB	RMB	RMB	RMB
Rigid packaging	16,762,395	8,371,089	19,443,172	39,171,864
Flexible packaging	7,414,499	3,922,791	9,782,777	15,000,755
Property development	–	–	2,166,255	2,166,255
	<u>24,176,894</u>	<u>12,293,880</u>	<u>31,392,204</u>	<u>56,338,874</u>

### Geographical information

The Group's operations, including the manufacturing of products and property development are carried out in the PRC.

The Group's revenue from external customers and information about its segment assets (non-current assets excluding deferred tax assets) by geographical location of the customers and location of the assets are presented below:

	Revenue		Non-current assets	
	2025	2024	2025	2024
	RMB	RMB	RMB	RMB
The PRC	568,057,307	631,486,833	474,152,047	481,482,947
Australia	21,925,284	19,634,793	–	–
Philippines	7,907,057	10,351,595	–	–
Thailand	12,335,230	13,824,744	–	–
Other regions	8,105,395	12,618,695	–	–
	<u>618,330,273</u>	<u>687,916,660</u>	<u>474,152,047</u>	<u>481,482,947</u>

### Information about major customers

Included in revenue arising from rigid packaging and flexible packaging are revenues of RMB190,109,302 (2024: RMB215,342,896) and RMB25,483,707 (2024: RMB28,017,683) respectively which arose from 2 (2024: 2) customers.

## 32. Financial instruments and financial risks

The management of the Group monitors and manages the financial risks relating to the operations of the Group to ensure appropriate measures are implemented in a timely and effective manner. These risks include credit risk, market risk (including foreign currency risk and interest rate risk) and liquidity risk.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Group's management then establishes detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 32. Financial instruments and Financial risks (Continued)

There have been no changes to the Group's exposure to these Financial risks or the manner in which they manage and measure the risk. Market risk exposures are measured using sensitivity analysis as indicated below.

### (i) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in Financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining customer advances where appropriate, as a means of mitigating the risk of Financial loss from defaults.

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counterparties where aggregate credit exposure is significant in relation to the Group's total credit exposure.

The Group has significant credit exposure arising from the trade amount due from 1 (2024: 1) major customer representing 10% (2024: 11%) of total third parties trade receivable. The Company does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics.

The Group's and the Company's major classes of Financial assets are cash and bank balances, Fixed deposits and trade and other receivables (excluding advances to suppliers, prepayments and value added tax). As the Group and the Company do not hold any collateral, the carrying amount of Financial assets represents the maximum exposure to credit risk except for the Financial guarantees provided by the Company to the banks for bank facilities obtained by its subsidiaries as mentioned below.

Further details of credit risk on trade receivables are disclosed in Note 18 to the Financial statements.

### Cash and bank balances (including Fixed deposits)

The Group and the Company held bank balances (including Fixed deposits) of RMB59,382,132 (2024: RMB73,163,097) and RMB1,339,059 (2024: RMB1,384,950) respectively as at 31 December 2025. The cash and bank balances (including Fixed deposits) are held with banks and Financial institution counterparties, which are rated Aaa to Baa2 (2024: Aaa to Baa2), based on international credit rating agency.

At the end of each Financial year, the Group and the Company did not expect any credit losses from non-performance by the counterparties.

### Other receivables

For other receivables from third parties, management has taken into account of internal (i.e. collection history) and external information available and determined that there is no significant loss allowances expected.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 32. Financial instruments and Financial risks (Continued)

### (i) Credit risk (Continued)

#### Financial guarantees

As at 31 December 2025, the Company had given guarantees amounting to RMB240.9 million (2024: RMB234.7 million) to certain banks in respect of banking facilities utilised by the subsidiaries. Such guarantees are in the form of a financial guarantee as they require the Company to reimburse the respective banks if the respective subsidiaries to which the guarantees were extended fail to make principal or interest repayments when due in accordance with the terms of the borrowings. There has been no default or non-repayment since the utilisation of the banking facilities and the risk of default is considered to be minimal by considering their credit risk profiles and the presence of underlying assets as disclosed in Notes 11, 12, 14, 17, 20 and 21 to the financial statements to secure the loans.

The financial guarantees have not been recognised in the financial statements of the Company as the risk of default is remote and subject to immaterial loss allowance.

### (ii) Market risks

The Group's activities are exposed primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Management monitors risks associated with changes in foreign currency exchanges rates and interest rates and will consider appropriate measures should the need arises.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no significant change to the Group's exposure to market risk or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

#### Foreign currency risk

The Group transacts businesses in various currencies, including mainly the Euro, United States dollar ("US\$"), Hong Kong dollar ("HK\$"), Japanese yen ("JPY"), Singapore dollar ("S\$") and RMB and therefore is exposed to foreign exchange risk.

At the end of the financial year, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	Assets		Liabilities	
	2025	2024	2025	2024
	RMB	RMB	RMB	RMB
Group				
Euro	18,982	17,344	8,358	4,828
US\$	65,415,404	75,723,183	87,250,172	82,034,561
JPY	126,776	1	–	–
HK\$	40,776,185	38,077,162	19,474,144	19,532,990
S\$	28,815,930	1,232,937	28,322,312	8,535,263
RMB	4,454,176	3,835,436	19,692,516	12,667,303



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 32. Financial instruments and financial risks (Continued)

### (ii) Market risks (Continued)

#### Interest rate risk

The Group's interest rate risks arise primarily from its cash and bank balances, fixed deposits and borrowings. The Group borrows at fixed and variable interest rates.

The interest rates and terms of repayment of the Group's interest-bearing financial instruments are disclosed in Notes 20, 21, 25 and 26 to the financial statements.

#### Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for the Group's borrowings at the end of the financial year and the stipulated change taking place at the beginning of the financial year and held constant throughout the financial year in the case of instruments that have variable interest rates. A 100 basis point (2024: 100 basis point) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates increase/(decrease) by an instantaneous 100 basis points (2024: 100 basis points) with all other variables held constant, the Group's loss before income tax for the financial year ended 31 December 2025 would have been higher/lower by approximately RMB1,416,000 (2024: RMB749,000) as a result of changes in interest rates on the variable rate borrowings.

No sensitivity analysis is prepared on the cash and bank balances and fixed deposits as the impact of the change in interest rates is not significant.

The Company's profit or loss is not affected by changes in interest rates as the Company does not have interest-bearing financial assets and liabilities.

### (iii) Liquidity risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations.

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents and borrowings deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earlier of the contractual date or when the Group and the Company is expected to pay. The tables include both interest and principal cash flows.



# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

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

The Group categorised fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used in making the measurements as follows:

- z Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- z Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- z Level 3 – unobservable inputs for the asset or liability.

The classification of an item into above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

Financial instruments not measured at fair value

The Group has no financial assets and financial liabilities carried at fair value as at end of reporting period.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

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 approximate 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.

## 34. Capital management policies and objectives

The Group and the Company manage their capital to ensure that the Group and the Company are able to continue as going concern and maintain an optimal capital structure so as to maximise shareholders' values.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, capital contribution, statutory reserves, foreign currency translation account and retained earnings. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issues new shares or sell assets to reduce debts.

The management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as trade and other payables, borrowings plus lease liabilities less cash and bank balances and fixed deposits. Total capital is calculated as equity attributable to owners of the parent plus net debt.

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 34. Capital management policies and objectives (Continued)

The management constantly reviews the capital structure to ensure that the Group and the Company are able to service any debt obligations (include principal repayment and interests) based on their operating cash flows. The Group's and the Company's overall strategy remains unchanged from the previous financial year.

	Group		Company	
	2025 RMB	2024 RMB	2025 RMB	2024 RMB
Trade payables	145,110,675	166,171,683	–	–
Other payables	31,379,389	32,556,712	48,174,316	39,590,334
Borrowings	413,530,637	396,269,836	–	–
Lease liabilities	3,466,598	2,371,802	–	–
Less: Cash and bank balances	(59,382,132)	(62,421,764)	(1,339,059)	(1,384,950)
Less: Fixed deposits	–	(10,741,333)	–	–
Net debt	534,105,167	524,206,936	46,835,257	38,205,384
Equity attributable to owners of the parent	498,560,936	504,422,310	419,114,433	427,743,885
Total capital	1,032,666,103	1,028,629,246	465,949,690	465,949,269
Gearing ratio	52%	51%	10%	8%

Subsidiaries of the Group established in the PRC are required to contribute and maintain a non-distributable statutory reserve fund whose utilisation is subject to certain restrictions as set out in the relevant regulations in the PRC as disclosed in Note 23 to the financial statements.

In addition to the above, the Group and the Company are in compliance with all externally imposed capital requirements in relation to financial covenants on its borrowings for the financial years ended 31 December 2025 and 2024.

## 35. Significant related party transactions

During the financial year, in addition to the information disclosed elsewhere in these financial statements, the Group entities entered into the following transactions with related parties at rates and terms agreed between the parties:

	Group	
	2025 RMB	2024 RMB
<u>With certain director of the Company</u>		
Rental expense	840,336	840,336
<u>With companies in which certain director has 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

# NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2025

## 35. Significant related party transactions (Continued)

	Company	
	2025	2024
	RMB	RMB
<u>With subsidiaries</u>		
Advances from subsidiaries	9,207,870	10,670,200

The outstanding balances as at 31 December with related parties are disclosed in Notes 28 to the financial statements and are unsecured, interest-free and repayable on demand, unless otherwise stated.

Certain borrowings (Note 26) are supported by individual guarantees given by a director. No charge has been made for these guarantees.

### Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the financial year was as follows:

	Group	
	2025	2024
	RMB	RMB
Directors		
- short-term benefits	3,789,330	3,818,695
- post-employment benefits	43,696	39,228
- Directors' fees	672,503	657,013
Other key management personnel		
- short-term benefits	5,643,185	6,296,727
- post-employment benefits	252,725	225,838
	10,401,439	11,037,501

The remuneration of directors and key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

## 36. Subsequent events to reporting date

Subsequent to 31 December 2025, geopolitical developments in the Middle East escalated, resulting in increased uncertainty in the global economic environment, including potential impact towards raw material supply, pricing and logistic costs. Management has assessed these developments in accordance with SFRS(I) 1-10 Events after the Reporting Period. As the conditions giving rise to these developments did not exist at the reporting date, the event has been classified as a non-adjusting event. Accordingly, no adjustments have been made to the carrying amounts recognised in these financial statements as at 31 December 2025.

As at the date of approval of these financial statements, the Group has observed disruptions to the supply of certain raw materials, including polymer resins. The Group has considered appropriate responses, including strengthening of supplier diversification and inventory planning, and maintaining close communication with customers on material price movement. The financial impact of these developments cannot be reliably estimated at this stage, as the situation remains evolving.







# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of Southern Packaging Group Limited (the “Company”) will be held at Indiana Room, Level 4, Raffles City Convention Centre, Fairmont Singapore and Swissotel The Stamford, 80 Bras Basah Road, Singapore 189560 on Wednesday, 29 April 2026 at 10 a.m., to transact the following businesses:

## ORDINARY BUSINESS:

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2025 together with the Directors’ Statement and the Auditors’ Report. Resolution 1
2. To approve the payment of Directors’ fees of S\$123,000/- for the financial year ending 31 December 2026, payable quarterly in arrears. (2025: S\$123,000) (Explanatory Note 1) Resolution 2
3. To re-elect Mr Chan Kam Loon who is retiring by rotation pursuant to Article 91 of the Company’s Constitution and being eligible, offers himself for re-election. (Explanatory Note 2) Resolution 3
4. To re-elect Mr Wu Geng who is retiring by rotation pursuant to Article 91 of the Company’s Constitution and being eligible, offers himself for re-election. (Explanatory Note 2) Resolution 4
5. To re-appoint Messrs BDO LLP as the auditors of the Company and to authorise the Directors to fix their remuneration. Resolution 5

## SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following as Ordinary Resolution, with or without modifications:

6. Authority to allot and issue share Resolution 6

That, pursuant to Section 161 of the Companies Act 1967 and Rule 806(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), authority be and is hereby given to the Directors of the Company to:-

- (a) (i) issue shares in the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

# NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent (20%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below).
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) is based on the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
  - (i) new Shares arising from the conversion or exercise of any convertible securities;
  - (ii) new shares arising from exercising share options or vesting of share awards, provided the share options or awards were granted in compliance with the Listing Manual of the SGX-ST; and
  - (iii) any subsequent bonus issue or consolidation or subdivision of Shares,provided further that adjustments in accordance with sub-paragraphs b(2)(i) and b(2)(ii) above are only to be made in respect of new Shares arising from convertible securities, share options and share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.
- (3) in this Resolution, "subsidiary holdings" shall have the meaning ascribed to it in the Listing Manual of the SGX-ST;
- (4) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (5) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting ("AGM") of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier. (Explanatory Note 3)

7. To transact any other business which may be transacted at an AGM.

By Order of the Board

Pan Shun Ming  
Executive Chairman and CEO  
14 April 2026

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:-

### 1. Resolution 2

This Ordinary Resolution, if passed, will facilitate the payment of Directors' fees for the financial year ending 31 December 2026 on a quarterly basis in arrears. The Directors' fees are calculated based on the assumption that the existing non-executive Directors will hold office until the end of the financial year.

### 2. Resolutions 3 and 4

Mr Chan Kam Loon will, upon his re-election, remain as the Chairman of Audit and Remuneration Committees and member of Nominating Committee. The Board of Directors (the "Board") considers him to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

Mr Wu Geng will, upon his re-election, remain as the Chairman of Nominating Committee and member of Audit and Remuneration Committees. The Board considers him to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

Detailed information of the retiring directors can be found under "Board of Directors", "Corporate Governance Report" and "Additional information on Directors Seeking Re-Election" sections in the Company's Annual Report 2025.

### 3. Resolution 6

This Ordinary Resolution, if passed, will authorise and empower the Directors of the Company from the date of the AGM to issue shares and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors may consider would be in the best interests of the Company. The aggregate number of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, of which the total number of shares that may be issued other than on a pro-rata basis to shareholders shall not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time the resolution is passed. This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company.

## Notes:

- 1) The members of the Company are invited to attend physically at the AGM. There will be no option for shareholders to participate virtually. Printed copies of the Notice, Proxy Form and the Annual Report will be sent by post to members.
- 2) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member appoints more than one (1) proxy, the proportion of the shareholdings concerned to be represented by each proxy shall be specified in the instrument appointing a proxy or proxies. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent (100%) of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.
- 3) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.  
  
"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.
- 4) A proxy needs not be a member of the Company.
- 5) Central Provident Fund Investment Scheme members ("CPF investors") and/or Supplementary Retirement Scheme investors ("SRS investors") (a) may attend and vote at the AGM in person; or (b) may appoint Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case, they should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by 5 p.m. on 17 April 2026.
- 6) The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney duly authorised or its authorised officer or in such a manner as appropriate under applicable laws, failing which the instrument may be treated as invalid.
- 7) Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing a proxy or proxies, failing which the instrument appointing a proxy or proxies may be treated as invalid.

# NOTICE OF ANNUAL GENERAL MEETING

- 8) A depositor's name must appear in the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time appointed for holding the AGM in order for the depositor to be entitled to attend, speak and vote at the AGM.
- 9) The instrument appointing a proxy(ies) must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632, not less than forty-eight (48) hours before the time appointed for holding the AGM.

Members (including CPF/SRS investors) may submit questions related to the Resolutions to be tabled for approval at the AGM in advance of the AGM by email to the Company's share registrar at [srs.teamd@boardroomlimited.com](mailto:srs.teamd@boardroomlimited.com) by 21 April 2026.

When submitting questions, members should also provide the following details:

- (i) full name (as per CDP, CPF or SRS);
- (ii) address;
- (iii) number of Shares held; and
- (iv) the manner in which the shareholder holds Shares (e.g. via CDP, CPF or SRS).

Investors holding Shares through Relevant Intermediaries (other than CPF/SRS investors) will not be able to submit questions relating to the business of the AGM via the above means. Instead, they should approach their relevant intermediaries as soon as possible in order for the relevant intermediaries to make the necessary arrangements for them to submit questions in advance of the AGM.

- 10) The Company will endeavour to address all substantial and relevant questions submitted prior to the AGM by publishing the responses to such questions on the Company's website and on SGX website by 24 April 2026. Any subsequent clarifications sought, or follow-up questions, or substantial and relevant questions received after the cut-off date will be consolidated and addressed at the AGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

## PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing a proxy or proxies and/or representative(s) to attend, speak and vote at the AGM and / or any adjournment thereof; or (b) submitting any questions prior to, or at, the AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxy(ies) and/or representative(s) appointed for the AGM (including any adjournment thereof), addressing substantial and relevant questions from members received prior to, or at, the AGM, preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member disclose the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the SGX-ST Listing Manual, the additional information as set out in Appendix 7.4.1 to the SGX-ST Listing Manual relating to the retiring Directors who are submitting themselves for re-election is disclosed below and to be read in conjunction with their respective biographies under the section entitled “Board of Directors” in the Annual Report 2025:

Name of Person	Chan Kam Loon	Wu Geng
Date of Appointment	1 August 2023	1 January 2024
Date of last re-appointment	29 April 2024	29 April 2024
Age	65	54
Country of principal residence	Singapore	Singapore
The Board's comments on this re-appointment	The re-election of Mr Chan was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his independence, overall contribution and performance	The re-election of Mr Wu was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration his independence, overall contribution and performance
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director, Chairman of Audit and Remuneration Committees, Member of Nominating Committee	Independent Non-Executive Director, Chairman of Nominating Committee, Member of Audit and Remuneration Committees
Professional Qualifications	<ul style="list-style-type: none"> <li>z Bachelor of Science (Economics) in Accounting and Finance</li> <li>z Chartered Accountant of Institute of Chartered Accountants in England &amp; Wales</li> </ul>	<ul style="list-style-type: none"> <li>z Bachelor of Law Degree from Peking University</li> <li>z Degree of Master of Comparative Law from National University of Singapore</li> <li>z Master of Arts Degree from University of Delaware, United States of America</li> <li>z Member of the Law Society of Singapore</li> <li>z Member of the Singapore Academy of Law</li> </ul>
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interests (including any competing business)	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Chan Kam Loon	Wu Geng
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	Yes. Alpha DX Group Limited for which Mr Chan served as an independent director, had previously been placed under interim judicial management as part of a restructuring process involving a prospective new investor. Following a hearing before the General Division of the High Court of the Republic of Singapore on 8 April 2025, Alpha DX Group Limited has been discharged from judicial management and is currently under compulsory liquidation.	Yes. Mr Wu was an independent director of Foreland Fabrictech Holdings Limited (“Foreland Fabrictech”) on 29 September 2014, at a time when Foreland Fabrictech was experiencing financial difficulties but remained solvent. In July 2018, Foreland Fabrictech and its subsidiary received a court enforcement notice in relation to an undisclosed legal proceeding commenced in 2013, arising from a private lending and guarantee agreement over RMB 7 million (“Agreement”) entered into prior to his appointment. The then Board was not aware of this Agreement at the time. Following the issuance of enforcement notice, and taking into consideration the circumstances of Foreland Fabrictech as well as other commitments and interests, Mr Wu resigned with effect from 19 July 2018. Mr Wu confirmed that he had no knowledge of the Agreement that gave rise to the enforcement action at the material time.
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Chan Kam Loon	Wu Geng
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Chan Kam Loon	Wu Geng
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :- concerned with the entity or business trust?</p>		
<p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p>	No	<p>Yes. Mr Wu was an independent Director of Foreland Fabrictech and Tee International Limited, that had been the subjects of investigations by SGX. The investigations by SGX concerned matters had taken place prior to Mr Wu's appointment as independent director of Foreland Fabrictech and Tee International Limited. As Mr Wu was an independent director, he was not involved in the day-to-day management and conduct of affairs in Foreland Fabrictech and Tee International Limited.</p>
<p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p>	No	No
<p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p>	No	No
<p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p>	No	No
<p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>		

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Person	Chan Kam Loon	Wu Geng
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

# SOUTHERN PACKAGING GROUP LIMITED

(Company Registration Number: 200313312N)  
(Incorporated in the Republic of Singapore)

## PROXY FORM ANNUAL GENERAL MEETING

I/We\*,

of

Important:

1. A relevant intermediary (as defined in Section 181 of the Companies Act 1967 ("Companies Act")) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF monies to buy Southern Packaging Group Limited shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks if they have queries regarding their appointment as proxies.

(name and NRIC/Passport/Company Registration No.)

(Address)

## NOTES

1. Please insert the total number of Shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this instrument appointing proxy or proxies will be deemed to relate to all the Shares held by you.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where such member appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument appointing a proxy or proxies. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent (100%) of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.  
(b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act.

3. A proxy needs not be a member of the Company.
4. The instrument appointing a proxy or proxies, duly executed, must be deposited at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 by 10 a.m. on 27 April 2026, being not less than forty-eight (48) hours before the time appointed for holding the Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney duly authorised or its authorised officer or in such a manner as appropriate under applicable laws, failing which the instrument may be treated as invalid.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing a proxy or proxies, failing which the instrument may be treated as invalid.
7. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the AGM.
8. For CPF/SRS investors, this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors who hold Shares through CPF Agent Banks or SRS Operators may (a) attend, speak and vote in person; or (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case, they should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions by 5.00 p.m. on Friday, 17 April 2026, being seven (7) working days before the AGM, in which case, the CPF and SRS investors shall be precluded from attending the AGM.

### General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 14 April 2026.



Co. Reg. No.: 200313312N  
36 Robinson Road, #20-01 City House,  
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